

WEEKLY

Television Digest®

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Consumer Electronics

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ZENITH CHOPS PRICE of Beta VTR to \$995 from

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TV IMPORTS DOWN for Sept. & 3rd quarter as color shipments from Japan drop sharply. Import mix shows continued concentration on 19" and growth in tinyvision. CB imports continue nosedive. (P. 8)

RCA HEADED for record sales & profits this year and probably next, Griffiths says. Sees further cost reductions in RCA sets, forecasts strong recovery for Zenith. (P. 9)

MATSUSHITA GROWTH slowed in 3rd quarter; company predicts modest 4th-quarter gains. Wells-Gardner shows 3rd-quarter loss. Writeoffs plague CB marketers. (P. 10)

GE STRESSES TECHNOLOGY, Wellner claiming leadership in innovation. 'Exciting' new TV product coming next year. GE ad spending to be upped 33% next year. (P. 11)

NEWSPAPERS, STATIONS, CABLE—COMPETITION: New Justice Dept. Antitrust Chief John Shenefield made noises like a trustbuster last week as he spoke on "Competition & Communications" at Federal Bar Assn. seminar. For example, recalling how former FCC Comr. Robinson, during an oral argument, asked JD's Barry Grossman: "If we don't do what you want us to do, are you planning to drag us into court?" Said Shenefield: "The Antitrust Div., let me assure you, is more than willing to accommodate any interests the FCC might have in 'being dragged into court.'"

Shenefield seems to be advised by some rather bleary eyed crystal-gazers. Said he: "In the TV business, I expect we shall see the FCC reappraising its traditional frequency rationing techniques and before too long, the advent of real direct broadcast satellite services. The Commission is already reexamining the validity of its technical rules in connection with the VHF drop-ins proceeding. To give you some idea of the potential for competitive changes there, it is worth noting that while we only seem to have been able to squeeze in about 500 VHF stations here, there are more than 5,000 things that look suspiciously like TV stations currently broadcasting in Japan—a land area about 10% smaller than just California."

First off, no one familiar with ways of Congress sees slightest glimmer of chance for direct-to-home TV "before too long." As for those 5,000 Japanese "things"—they're translators. If

Shenefield's researchers had consulted Television Factbook, they'd have found mere 187 stations, many of them 1 kw, and 7,122 translators. U.S. has 975 regular stations—with very few as low as 1 kw—and 3,731 translators.

Different kinds of predictions were offered by Henry Geller, upcoming Commerce Dept. communications chief. He said that FCC will lose newspaper-station & cable-station cross-ownership court cases; that it was "correct" for FCC to wait for cable to grow before setting ceilings on national subscriber totals; that concept of hardware-software "separation" is "an excellent one," and question is when to implement it. He said Commission's rules were wrong in protecting big-city VHFs, while giving little or no protection to smaller stations. He also said that concept of working out compromises between industry forces "is not right"; that FCC must act only "in the public interest."

Werner Hartenberger, former FCC gen. counsel, said competition is only one element in the public interest, "not a sacred cow." As for cable impact on TV: "TV is doing better than ever. There's no indication cable will hurt." Grossman said Justice is interested in cable because of its "potential for promoting diversity."

'THE MOST EXCITING GATHERING': "This is an exhilarating time... A new & regenerated sense of confidence prevades this industry" NCTA Chmn. Daniel Aaron said week before Nov. 9-11 Western Cable Show at Town & Country Hotel in San Diego. "This will be the most exciting gathering we've ever had in the cable industry." He cited 3 reasons:

(1) Wide growth of satellite distribution of cable programs. (2) "Surge of creativity" in pay cable. (3) A recognition in Washington that cable "has won its right to parity...As a result, this industry has become fun again." Many others we talked to last week that are headed for San Diego agreed with Aaron's optimism.

As usual, govt. participants will play major role: From FCC, there's Comrs. White & Quello; Sens. Hollings (D-S.C.) & Schmitt (R-N.M.); from House Commerce Committee, Reps. Van Deerlin (D-Cal.), Moss (D-Cal.), Waxman (D-Cal.) & Frey (R-Fla.), along with staffers of House Communications Subcommittee. Some of congressmen plan sessions on Communications Act rewrite with both cable & broadcast advisory committees. (Broadcasters also will be in San Diego in force this week. NAB has fall conference, management seminar, Radio Code Board meeting and 2nd public town meeting.

Among major developments at Western Cable Show: (1) Pioneer pay-cable programmer Home Box Office will celebrate its 5th birthday Nov. 8. (2) UPI will announce new satellite news service designed to replace character generator (Vol. 17:44 p4). It will feature commercials, consist of 24-hour news photos with voice-over. In San Diego demonstration, ad agency Y&R will have first commercial recommending news service to clients.

(3) Irving Kahn & associates will announce 3rd company—Electro-Optics Devices Corp.—in fiber optics push. New company, headed by Roger Wilson (ex-Jerrold & Teleprompter, most recently engineering vp for Hamlin International, Seattle), has manufacturing plant in Wallingford, Conn., will produce connectors, passive devices, splitters, design a "total optics system" for MATVs. Kahn said "Electro-Optics will fill the vacuum that exists in the area of highly-reliable, low-cost, active & passive components to support a working fiber optics system." Working model—already sold—will be demonstrated in San Diego. Electro-Optics is principally-owned by Times Fiber Communications and General Optronics, companies recently-formed by Kahn & assocs.

(4) NCTA board meeting will feature panel discussion on fiber optics. Board also will consider statement on securing money earmarked for public broadcasting for cable operations.

Tax on profits of commercial broadcasters and on sale of TV sets—neither idea is new—to finance public broadcasting was suggestion of NPR Pres. Frank Mankiewicz at SPJ-SDX meeting in Washington. ABC Washington News Vp Sander Vanocur disagreed, said Japan has best public TV system in world "and payments are voluntary."

Following Oct. 31 meeting with FCC employees group, Chmn. Charles Ferris has postponed until Jan. plan to change agency's working hours from 8-4:30 to 9-5:30. As result of planned change, 2 unions now are attempting to organize FCC employees—large majority of whom oppose change and are upset because they weren't consulted.

LITTLE NEW AT SPORTS HEARING: While network TV sports executives did some squirming before House Communications Subcommittee last week, Hill sources agreed no legislation is likely to develop nor are sanctions against networks expected. Chmn. Van Deerlin (D-Cal.) said staff would submit report to Subcommittee, that there isn't likely to be full Subcommittee report. Most damaging, Subcommittee members said, was adverse publicity networks received and that publicity is expected to keep networks from duplicating questioned practices. Among them:

ABC, for "World Championship of Boxing," where fighters' rankings were disputed along with allegations of kickbacks to promoters. News & Sports Pres. Roone Arledge said ABC tried to protect itself (and public) by having promoter Don King invite fighters through rankings provided by Ring magazine. Sports Vp James Spence acknowledged that parttime employee Alex Wallau warned that rankings weren't accurate, admitted that he hadn't read documentation supplied. Also questioned was \$10,000 bonus to Wallau, \$4,000 raise and permanent job; charges this was attempt to keep him quiet were angrily denied by Arledge & Wallau.

CBS, for Las Vegas tennis matches billed as "winner take all" when players actually had received guarantees and "appearance fees." CBS-TV Pres. Robert Wussler said it was his fault due to "sloppy" procedures which won't be repeated. FCC has its own investigation underway of CBS tennis because of "winner take all" billing and "special promotional considerations" to Caesar's Palace Hotel in Las Vegas without proper air identification.

NBC, for promoting golf tournament using names of players who didn't survive cut, and in case of Johnny Miller, didn't even enter. This was "just a plain goof," explained Sports Exec. Vp Alvin Rush. Subcommittee also was critical of telecast of Ali-Shavers fight during which home viewers and Ali's corner received official round-by-round scores, while Shavers & live audience didn't.

ABC & CBS also were questioned about boxers they have under exclusive contracts; networks saw no conflict, although CBS said contract with Howard Davis was being negotiated because it called for payment to go to Davis, who in turn would pay other boxer.

NBC Radio has donated over 140,000 historic recordings to Museum of Bcstg., N. Y. Collection consists of glass, aluminum & acetate recordings dating to 1927. Museum Pres. Robert Saudek said NBC gift is largest to date.

Under aegis of Rep. Waxman (D-Cal.), White House aides Richard Neustadt & Robert Sachs will spend Nov. 8-9 in Hollywood in 5 meetings with commercial & educational creators & producers, educational TV & radio stations, lawyers, actors & WGA-W.

NARUC convention Nov. 14-17, Hyatt Regency, New Orleans, includes among participants FCC Comr. Joseph Fogarty on competition in communications, NCTA Pres. Robert Schmidt on cable TV.

Record 322 have pre-registered for Tvb Nov. 14-16 convention at Hyatt-Regency Hotel, San Francisco.

NBC's '\$50-MILLION GAP': "There is a gap today of \$50 million after tax [in NBC profits vs. CBS's]. It is a gap we are determined to overcome," RCA Chmn. Edgar Griffiths told N. Y. security analysts last week. That's NBC's specific profit objective, he told questioner.

Noting high-cost of special event programming, which NBC has featured this fall (to reach 2nd in 3-network race), Griffiths said "the answer is that we are going to develop successful series [and] we are going to continue mini-series." Moscow summer Olympics in 1980 "will definitely be profitable for NBC." He said that, "without a massive sales effort," 65% of Olympics already is sold, that "we are in heavy conversation at the moment with several large sponsors who could take sizable portions of the remaining 35%."

He said RCA Americom is only unprofitable division of company, predicted satellite business will become profitable. Major problem, he said, has been "aggressive counterpricing by the Bell system on its land lines." Noting that RCA recently signed agreement for satellite time with Viacom's Showtime (Vol. 17:44 p3), Griffiths predicted "we will do a great deal more in supplying programs to cable companies by satellite."

Rocky Mountain car dealer is resisting proposed FTC consent order which would require dealer to make credit disclosures simultaneously in video & audio portions of TV spot. Order also specifies length (no less than 10 sec.) & letter size of video crawls, background (including prohibition against music, etc.) and requires that "the audio portion of the required credit disclosures shall be spoken with sufficient deliberateness, clarity & volume so as not to obscure or detract attention from the required disclosures."

Classical music radio format case appears to be settled in climax of 5-year fight by General Cinema to switch WEFM(FM) Chicago to popular music. In return for withdrawal of protest by local citizens' group, General Cinema will donate \$40,000 annually to WBEZ(FM) to support classical format, will make one-time grant of \$100,000 to WBEZ for new transmitter and recordings. WEFM also will donate own classical library to WNIB(FM) Chicago.

TV & adolescents is subject of one-day workshop sponsored by ACT at Harvard Nov. 8. Luncheon speaker will be FTC Chmn Michael Pertschuk. Among session leaders: George Comstock, Syracuse U.; John Hill, Boy's Town; Gisela Konopka, U. of Minn.; Charles Atkin & Bradley Greenberg, Mich. State U.; Beatrix Hamburg, George Washington U. Workshop is funded by Spencer Foundation, Chicago.

WTOP(AM) Washington is being purchased by Outlet Co. for \$6.67 million (\$2 million in cash) from Washington Post Co. Among conditions: Outlet will keep all-news format for at least 2 years; call letters will stay with radio station, WTOP-TV will change. Broker was Howard Stark.

Composite week for annual TV program report for 1977: Sun., Feb. 6; Mon., March 14; Tues., May 24; Wed., April 6; Thur., Sept. 1; Fri., Oct. 21; Sat., July 16.

STUDY BACKS PERFORMANCE FEES: Economic impact study, backed by Copyright Office, will conclude that radio stations can well afford to pay—and should pay—music performance fees. Such payments would amount to only \$13 million annually for several years, and since broadcast industry is "cost insensitive," such payments could be passed on to advertisers, according to study to be released this week.

Study reportedly will debunk NAB claim that 30% of stations lose money, note that majority of stations reporting losses in 1975 also claimed to be in red previous 5 years. Such stations, report claims, actually hide profits in commissions, bonuses, payments to principals, etc.

Compiled by Washington research-accounting firm Ruttenberg, Friedman, Kilgallon, Gutchess & Assoc., study concluded that musicians are very much in need of performance fees. It notes that 60% of all studio musicians play fewer than 5 recording sessions per year. Also, study says, record companies want performance fees for protection against new technology—such as home VTR & cable. Rep. Kastenmeier (D-Wis.), chmn. of House Copyright Subcommittee, said Congress probably won't take up performance fees again until Jan.

* * * *

Speaking to Ore. Assn. of Bcstrs. last week, NAB Pres. Wasilewski said payment of performance fees by broadcasters "would lead to a reduction in the quality & quantity of radio broadcast service." He added that performance royalties will increase incentive to resort to payola to get records played, charged govt. shouldn't require one private industry to subsidize another.

"It is incredible that a major manufacturer has to resort repeatedly to manipulative tactics directed to children"—ACT Pres. Peggy Charren in protesting TV commercial for Cookie Crisp, pre-sweetened cereal made by Ralston Purina. ACT has asked FTC to ban commercial, which uses cartoon character saying creal is "shaped like little cookies from a cookie jar" and "tastes like sweet crunchy cookies."

Pre-engineered table of FM allocations is better than leaving assignments to "a random determination of selection," FCC said last week in refusing to open unused commercial FM reservations to non-commercial applicants.

Nelson & Watson Assoc., "executive search & CATV finders," has been formed by Donn Nelson & Robert Watson, 1651 E. 4th St., Santa Ana, Cal. 92701, 714-972-1722.

Clearinghouse for Research on Marketing & Children has been established to provide, at \$2,500 yearly, bi-monthly reports on current & planned research: Scott Ward, 69 River St., Boston 02108.

Broadcast equipment valued at \$2.5 million has been ordered from RCA by Forward Communications, Wausau, Wis.-based group broadcaster.

NCTA hosts 7th meeting of state presidents & exec. dirs. Dec. 12-13 in Washington.

Members of House Communications Subcommittee made clear, at unannounced closed meeting last week, that they expect to be personally involved in drafting legislation for rewrite of Communications Act. "I don't want staff legislation presented to the Subcommittee without having some input myself," congressman told us. As result, staff was told to have digest—without recommendations—of lengthy rewrite hearings available when Congress comes back in Jan. Subcommittee members then will seek to reach consensus on non-controversial areas. This should be ready by Easter recess, according to Chmn. Van Deerlin (D-Cal.), with hearings starting in late April. He told FCBA dinner last week that 1979-80 now is likely target for getting rewrite through House.

"Flagrant abuses" by networks of prime-time-access rule go "unremarked & unrebuted" by FCC and could "render moot" any solution to over-all network problem that evolves from outstanding inquiry, according to NAITPD. Specifically, producers' group charged that ABC violated access rule Oct. 23 when it substituted "Donnie & Marie Birthday Special" at 7 p.m. for "Hardy Boys/Nancy Drew." ABC contends special was children's show, thus exempt from access rule. NAITPD said argument doesn't hold water since program was adult variety, that advertisements all were directed toward adults. Group asked FCC to take "whatever official action" appropriate "to deal with the present ABC infraction."

First 2-way cablecast for subscribers to Warner's Qube system in Columbus, O. will be Nov. 12 football game between Audubon & Marietta colleges. Viewers, who will be charged \$2.50 to see game, will be asked to guess what play will be called on each down, results displayed on screen. Warner officials declined to state specifically how many viewers have signed up for Qube service ("thousands"). Regular service is scheduled to begin Dec. 1.

Bcst. Pioneers Library has received collection of Elmo Neale Pickerill from his cousin Eugene Baker. According to Library, Pickerill, who died at 82 in 1968, was first to: Achieve air-ground communication (1910), affect sea rescue via radio (1907), present professional talent on radio (Geraldine Farrar, 1907), receive first-class license from govt. (1911).

Community & Telecommunications conference, sponsored by National Commission on Cooperative Arrangements, is being held in Washington Nov. 16-20 at Washington Hilton hotel. Theme is use of modern telecommunications techniques by community educational institutions.

Govt.-financed children's programs—17 series that cost \$34 million—are now available free to commercial stations through HEW program administered by TV for All Children. For information: Nivette Vicens, TVAC, 6464 Sunset Blvd., L.A. 90028.

ABC forms Publishing Div. to handle magazine & book publishing; Seth Baker, ex-CHC Corp., is pres.; vps are James Allegro & Gilbert LaVasseur, both ex-CHC.

CPB board holds open meeting in Washington Nov. 11; board committees meet previous day.

Personals

John Collins promoted to vp-finance, CBS Entertainment Div., Hollywood, new post; Albert Crane to vp-eastern sales, CBS-TV Network...Herminio Traviesas advanced to NBC vp-broadcast standards policy; Ralph Daniels to vp-broadcast standards, reporting to Traviesas; George Hiltzik promoted to NBC asst. general attorney with responsibility for talent & program negotiations, EEO and employee relations...Paul Barrett named dir. of advertising services, ABC-TV, new post.

Stephen Kimatian, WJZ-TV Baltimore gen. mgr., also named vp of parent Group W...Odin Ramsland, KDAL-TV-AM Duluth, Minn. pres., retires; he's succeeded by John LaForge, named exec. vp-gen. mgr. of stations...William Fagan, ex-WTOP-TV Washington, named gen. sales mgr., WFSB-TV Hartford; Nancy Boyer named local sales mgr.; Paul Orio national sales mgr...Gary Bentley, ex-KABC-TV L.A., rejoins KJEO Fresno as news dir...Al Gordon promoted to community relations dir., WIIC-TV Pittsburgh.

George Dessart, ex-WCBS-TV N.Y., promoted to vp-asst. to Pres. Thomas Leahy, CBS TV Stations Div.; Ed Joyce, WCBS-TV news dir., named vp-news for Stations Div...Stanley Solson promoted to vp-pay TV marketing, Warner Bros. TV.

Audrey Tanzer promoted to vp-administration, Meeker Co...Ed Shea named Metro TV Sales vp...Calvin Cass promoted to sales mgr., HR TV Atlanta office; Marty Ostrow, ex-RKO TV Reps, joins HR TV One Sales Team, N.Y.

Charles McAbee, KCMO-TV Kansas City gen. mgr., elected pres., Mo. Bcstrs. Assn.; Curtis Brown, KTTS-AM-FM Springfield, named pres.-elect...Fred Gilson, ex-CBS International, appointed vp-sales operations, Columbia Picture TV...Herman Moeller resigns as mgr. of Reuters cable services to "pursue other business interests in the cable TV field..." Andrew Spitzer, ex-Hanna-Barbera, joins Hughes TV Network as dir.-program sales.

Matthew Coffey, National Public Radio senior vp, joins National Alliance of Businessmen Nov. 14 as exec. vp...Shirley Mueller, CBBB consumer education dept., appointed dir., children's ad unit of NAD; Kathleen McGowan appointed asst. dir.

Reporters who violate federal judge's invalid gag order may not be jailed, according to clause in prospective revamped U.S. Criminal Code, recommended for Senate approval by Judiciary Committee. Free speech amendment, suggested by Sen. Bayh (D-Ind.), would forestall incarceration pending determination of constitutionality of court's order.

FCC Judge James Cullen awarded new TV station on Ch. 21 in Homewood, Ala. to George Chapman in supplemental initial decision. Action reverses 1974 Review Board order granting channel to Birmingham Bcstg. Co. Cullen found Birmingham financially unqualified.

NCTA members total 1,405, serving 7,145,400 subscribers; assoc. members number 240.

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with

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Public interest groups and NCCB Chmn. Nicholas Johnson last week launched campaign against Senate confirmation of Irby Turner to CPB board. They claimed Turner had been insensitive to minorities and delayed or blocked pro-black activities while chmn. of Miss. ETV Commission. Turner had no opposition at confirmation hearing (Vol. 17:44 p4); protestors claimed hearing was set at such short notice they didn't have time to prepare. Opposition to Turner probably will delay Senate action at least until Jan.

TvB's new Retail Development Board (RDB) is aimed at increasing local retail revenues from department, discount and specialty stores. RDB will include 10-12 station retail specialists and TvB Retail Sales Vp Tom McGoldrick. First RDB meeting is scheduled Jan. 8-11 in N.Y.; 2nd, May 7-10, Orlando. For first 8 months this year, local retail sales amounted to \$116.5 million, 17% of all local revenues, according to TvB.

First graduates of govt.'s spectrum management intern program, coordinated by Office of Telecommunications, include 3 engineers and one communications specialist. Program is sponsored by OTP & IRAC, takes students recommended by Commerce or other agencies, puts them through year of study & work. Five positions are available for next course starting Jan. 3.

Arbitron April-May sweep shows that FM listening in top 10 markets was up 12% over same months 1976, with only Boston showing decrease (1%). Since Arbitron's first study in 1970, FM listening is up 122%, research firm said.

Cox & Optical extend for 5 years their agreement providing pay cable to Santa Barbara system. Optical has had lease there since 1974.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 21 (42nd week of 1977):

	Oct. 15-21	1976 week	% change	Oct. 8-14	1977 to date	1976 to date	% change
Total TV.....	415,014	308,905	+34.4	310,983	11,026,538	9,571,026	+15.2
color	242,341*	193,507	+25.2	185,224	6,851,068	5,712,953	+19.9
monochrome ..	172,673	115,398	+49.6	125,759	4,175,470	3,858,073	+8.2
Total radio	1,308,614	971,342	+34.7	1,077,537	42,559,423	31,521,614	+35.0
home, portable	1,049,505	731,654	+43.4	827,883	32,453,720	21,470,992	+51.2
AM-only	294,667	287,529	+2.5	248,008	7,779,324	6,289,810	+23.7
FM & FM-AM	754,838	444,125	+70.0	579,875	24,674,396	15,181,182	+62.5
auto.....	259,109	239,688	+8.1	249,654	10,105,703	10,050,622	+0.5

Color TV 5-week moving average: 1977—238,733**; 1976—194,884 (up 22.5%).

*Record for 42nd week of any year. **Highest of 1977.

CAUSE OF CB DISASTER: FCC OR IMPORTS? That question emerged as dominant theme of ITC hearing last week on Sec. 201 domestic-injury complaint, with petitioner E. F. Johnson asking maximum 50% CB tariff increase (to 56%) over next 5 years. (Economist Stanley Nehmer recommended 50% increase over first 3 years, 45% in 4th, 40% in 5th.) Tariff hike would reduce inventory buildup, increase value of current inventories—now swollen to around 11.5 million, Johnson said. Excessive imports weren't reaction to increase in U.S. demand, Johnson & supporters argued, but simply insistence on using over-capacity to make & ship CBs to oversupplied markets at distress prices.

But major argument against injury claims centered on timing of FCC channel-expansion announcement (July 1976), which "created severe market disruption, caused an abrupt halt to the explosive growth in demand, and created serious financial problems for all manufacturers, foreign as well as domestic," EIA-J counsel William Tanaka contended.

FCC announcement may have had temporary impact on market, Chief Engineer Raymond Spence acknowledged at hearings, but major problem was consumer confusion caused by inaccurate stories about decision in general press and consumers' findings that "23 wasn't so bad after all, especially with the cost advantage" over new 40-channel units.

Among more sensational aspects of hearings were Johnson estimates of inventory buildup & retail sales over past 2-1/2 years, particularly climb in inventories since Jan. from 9.07 to 11.5 million (see p. 10). Of total, Pres. Richard Horner said, 4 million are 40-channel—leaving staggering 7.5 million 23s in inventory if figures are accurate.

ZENITH CHOPS BETA VTR PRICE TO \$995: Zenith whacked \$305 from list price of its Betamax VTR last week to meet RCA's VHS price (\$1,000). Taken by surprise, officials of Sony America were still studying options on their identical \$1,300 Betamax at week's end, said they probably would react early this week.

In other home videocassette activity last week: (1) Sears announced it would offer single-speed 2-hour Sanyo-made "Betavision" VTR at \$995 in 5 major markets by end of this month, nationwide by mid-1978. (2) JVC cut wholesale price of 2-hour Vidstar VHS by about \$200, making it competitive with RCA unit, but left list price unchanged at \$1,280, as we forecast month ago (Vol. 17:40 p12). (3) GE said it has decided on VTR system, will announce within

next 4 weeks, introduce deck in spring. Although GE didn't say so, there are indications it will be Matsushita-built 4-hour VHS. (4) Sylvania may start shipping 4-hour VHS deck this week; list price will be in \$1,000 range. (5) Quasar says it will announce new VTR deck next month; company wouldn't elaborate, but it's expected to be 4-hour VHS as step-up from 2-hour VX-2000, now retailing at \$795 & up.

In telegrams to distributors Nov. 2, Zenith announced price change; in statement in reply to our question it said it hopes to occupy "same leadership position in the videocassette recorder market as it enjoys in both color & b&w TV." Company said it expects demand to exceed supply through 4th quarter. There was speculation that Zenith had negotiated new lower price from supplier Sony of Japan, but source close to Sony said Zenith hadn't. "They [Zenith] must be nuts," he added. Move puts Sony America in spot, particularly in view of repeated pronouncements by it and Japanese parent that there would be no price changes this year.

Zenith dealers & distributors will receive rebates for all decks in inventory—which could be quite a few. Reports from field indicate Zenith's VTRs had been selling extremely slowly, and company had been experiencing difficulty signing up dealers—attributed largely to availability of 4-hour RCA unit at lower price. In addition, Zenith's advertising for VTR got off to very slow start, after heavy RCA, Sony & JVC tub-thumping campaigns were well under way.

Sears' product & price are as we forecast in Sept. (Vol. 17:38 p7). First markets will be Atlanta, Chicago, Dallas, L.A. & Philadelphia. Betavision will carry one-year full warranty, as compared with limited warranties of 90 days on labor, 90 days or year on parts for other home VTRs. Sears will offer 1- & 2-hour cassettes—no prices announced, but there are some expectations they'll be far below prevailing market.

GE is in "final stages of contract negotiation" on Japan-made VTR, TV Business Dept. Gen. Mgr. Fred Wellner said last week. He indicated one reason for delay was "to find a solution to the VIR problem." Home VTRs being imported now can't record VIR signal, and VIR circuit on receiver must be disabled during playback for proper picture. Wellner declined to state what the solution was. He conceded GE has "been sour on VTR" and that he still has "hard time relating to this."

Zenith last week dropped suggested list price on its 25" TV-VTR combination \$200 to \$2,400. Other combos—complete stereo home entertainment centers with 25" TV & VTR (4-hour VHS)—are now being shipped by Curtis Mathes at \$2,900 & \$4,000. In Japan, meanwhile, Pioneer officials said company has no short-term plans to make or sell home VTRs despite agreement with Sony on Beta format.

TV BOOM & BUST—AT THE SAME TIME: Color TV sales to dealers set all-time record for Oct.—more than 936,000, up 15.7% from Oct. 1977 and exceeding previous Oct. record of 909,821 in 1973. Sales in final Oct. week also set record—294,000, up about 17% from year earlier. Most TV manufacturers agree color sales are really hot—but at prices so low it's almost impossible to make profit. Domestic manufacturers now are joining importers (Vol. 17:43 p8) in forecasting price increases early next year.

Several manufacturers specifically mentioned Zenith's hot pricing as major disruptive force on market. But Zenith reiterated that promotional allowances had been cut back Oct. 5 and prices now are only "slightly" below those of last Aug. In unusual move, Sony added special allowances to lowest-priced 17" (formerly \$520 & \$540) & 19" (\$580 & \$600) models, effective through year's end, making possible retail cuts of \$50-\$80. In unmistakable reference to Zenith pricing, Sony Vp Joseph Lagore called market "extremely competitive, particularly in 19-in.," said price cuts were made to "move some inventory," and that Jan. pricing was unresolved—but "we're as high as we can go." (Sony is re-franchising all distributors & dealers, presumably weeding out slow-paying accounts, etc.)

"This is the 2nd-best year ever and prices are the lowest I've ever seen at retail—prices have to move up next year," said GTE Consumer Electronics Pres. Robert O'Neil. "Zenith has to take the major part of the blame for the current environment. When anybody who controls 20-25% of the market prices below cost, it has to devastate the market. Zenith is selling to distributors at \$5, \$10, \$15 lower than we are. They still have consoles with \$25 allowances,

portables with \$10-\$15. The whole industry is paying for Zenith's mistakes."

"A banner year," said GE TV Business Gen. Mgr. Fred Wellner—"and for many a worse year for profits than 1976. Costs are going up by 10% a year. People will lose a lot of money or prices will have to go up... The [price] pressures are now coming from within our own borders... We were profitable last year and we'll be profitable this year." Mktg. Mgr. Norman Schnell said GE was backordered on higher-priced merchandise—25" consoles, top-of-line 19", remote. (For other comments by Wellner, see p. 11.)

TV prices "will drift upwards" next year, following sales of 8.8-8.9 million color sets this year, RCA Pres. Edgar Griffiths told security analysts last week. He said RCA is "whittling Zenith's lead" and "narrowing of the gap will continue." This could be done more rapidly through sharp price-cutting, he added, but RCA won't seek share at expense of profits. He said RCA was "the most profitable" TV maker, will continue to take costs out of set. Griffiths said there are shortages of some color consoles and company's color inventories are 18% below last year, "which was rather tight." (For more of Griffith's remarks, see p. 9).

"Business is good across the board—exceeding our expectations," we were told by Quasar Vp Alex Stone. He, too, commented on hot Zenith pricing, but indicated increases of 3-6% on "broad range" of Quasar color sets will come in Jan. Magnavox Senior Vp Kenneth Ingram agreed that sales were hot, particularly in widely promoted high-end Touch Tune models.

"TV business is so damn good—we don't know why," said Curtis Mathes Chmn. Curtis Mathes Jr. As to pricing—"we're not really in that business; we're going to sit out this war. It's sheer insanity—the lemmings are marching to the sea."

TV IMPORTS DOWN IN SEPT. & QUARTER: Continued quota-caused fall-off of color imports from Japan in Sept. resulted in decline in total TV shipments for 2nd consecutive month and for 3rd quarter, though 9-month results remained well ahead of comparable year-earlier total, Commerce figures show.

Total of 775,000 TVs in complete & chassis form were imported in Sept., down 4.3% from Sept. 1976, as color's 12.4% drop to 321,300 more than offset effect of 2.3% rise for b&w to 3.62 million. Nine-month TV total of 6.52 million was up 26.5%, with color at 2.9 million, up 42.9%, b&w at 3.62 million, up 15.9%. TV 3rd quarter total of 2.27 million slipped 5.1%, as color dropped 9.2% to 926,400, b&w was off 2.1% to 1.35 million. Color imports from Japan in quarter were off 27.8% to 618,000, a unit decline of 238,500, nearly offset by rise in imports of chassis from Mexico, complete sets from Taiwan, Korea & Singapore. Totals include imports of 86,700 color chassis in month, 929,800 in quarter.

TV imports by country for Sept., with 9-month results in parentheses: Japan total 337,900, down 18.1% (2.96 million, up 7.2%), color 194,600, down 29.8% (1.81 million, up 1.2%), b&w 143,400, up 6% (1.15 million, up 18.2%); Taiwan total 292,300, down 3.3% (2.2 million, up 9.8%), color 44,000, up 20.2% (263,300, up 65.5%), b&w 248,300, down 6.6% (1.94 million, up 5%); Korea total 71,700, up 37.3% (561,800, up 70.2%). In addition, Canada supplied 12,800 sets in month, up 356.7%, for 9-month total of 27,700, up 173.8%, Singapore 1,000 color sets for 10,000 total, Mexico 56,700 color chassis for 724,000 total. RCA & Panasonic are importing complete color from Canada, Hitachi from Singapore, while RCA & Sylvania bring in chassis from Mexico.

Color import screen-size mix shows only tinyvision with significant improvement in share for 9-month period. Of 1.97 million complete color imports, 55.6% were 18"-or-over, as category rose 1.8% to 1.1 million, increasing share from 55.4%. Results for other sizes: 10"-&-under 145,200, up 58.8% for 7.4% share, up from 4.7%; 11"-12" 185,300, down 28.9% for 9.4% (from 12.4%); 13" 298,600, down 1.7% for 15.1% (from 15.6%); 14"-15" 170,000, down 0.6% for 8.6% (from 8.8%); 16"-17" 76,000, up 28.2% for 3.9% (from 3%). Imports of complete color sets were up 1.5%.

Results for b&w: 10"-&-under 586,500, down 9.5% for 16.7% (from 21.1%); 11"-12" 2.32 million, up 15.4% for 66.2% (from 65.3%); 13"-17" 220,100, up 20.2% for 6.3% (from 6%); 18"-&-over 377,600, up 60.3% for 10.8% (from 7.7%). Complete b&w imports of 3.5 million were

up 13.9%. Relatively larger increase posted for imports of bigger-screen b&w is mainly reflection of continued transfer of U.S. production to Taiwan rather than rise in market demand here.

Total transceiver imports in Sept. sank 39.6% to 1.47 million, for 9-month total of 14.1 million, down 10%. All of attrition was due to drop in base & mobile stations (mostly CB), down 66.2% in Sept. to 481,400, 38.4% for 9 months to 7.35 million, while hand-holds (mostly toys) were off just 2.3% in month to 993,000, closing out quarter up 80.4% to 6.75 million. Importation of 23-channel units seems to be winding down. For import classifications where number of channels are indicated, Sept. imports of 40-channel models totaled 331,900, while all others, including 23s, were just 61,600, or 14.6% of total. In Aug., share held by 23-inclusive categories accounted for 24% of total, and for 9 months share was 26.4%.

GRIFFITHS ON RCA: "If I never read a newspaper I would never know that there was anything wrong with the economy." So said Pres. Edgar Griffiths last week in predicting record RCA sales & earnings for this year and probably next in talk to N.Y. security analysts. He painted picture of a strong & profitable RCA, with TV sets leading the way. He even digressed to reassure Zenith that everything would come out all right: "Zenith's difficulties will be... resolved very quickly... I think you'll find Zenith back with a vengeance in 1978, and I think you'll find their performance on the P&L is probably exciting."

He said Zenith's problems weren't RCA's—RCA's "inventory problems" involve shortages (see p. 8). Griffiths forecast 1978 color TV sales would be about same as 8.8-8.9 million of 1977. He said RCA chose \$1,000 VTR price to be fair to consumers and that everyone can make profit at that level. RCA won't manufacture VTR in U.S. until "3rd, 4th or 5th generation." He insisted RCA had no intention of abandoning videodisc—"we would never have sent it back to the laboratory... if we didn't believe it had a possible chance of going forward." Difference in selling price between disc player & VTR must be significant, he added. If VTR is \$600-\$700 and the disc player is under \$400, "it has an excellent chance of being introduced." Other points made by Griffiths:

RCA is largest picture tube maker in U.S., has been "struggling all year in all plants to meet the demand." Referring to plant it's building for Poland, he said "a number of other countries are most anxious that we construct tube plants for them." Portion of RCA Labs has been relocated in Indianapolis for closer relationship with Consumer Electronics operation. RCA's research & engineering—about \$300 million, of which \$115 million is funded by RCA—is oriented 60% toward improvement of existing products, 20% toward next generation, 20% "blue sky." Asked about personal computer, he said it "suffers from the problem of definition." He thought eventually such devices might be built in as part of TV set—until then it will be "relatively small business." (For Griffiths' comments on NBC, see p. 3.)

Zenith has acquired former Warwick TV sub-assembly plant in Reynosa, Mex. from Thomas International, confirming our report of negotiations (Vol. 17:41 p10). Modern, fully-equipped facility was built in 1974, wasn't included in package when Sanyo bought Warwick TV business last Jan. Zenith announced plan to transfer much of its color TV circuit-board & chassis assembly operations to plants in Taiwan & Mex. last Sept. (Vol. 17:40 p8).

Commodore has delivered over 300 PET computers so far, is now moving 30-40 daily, spokesman told us at Chicago Personal Computing Show. Bottleneck, he said, is in testing—company is now installing new test equipment which will permit increase in shipments to 200-300 daily by Jan. Next year, Commodore plans to add high-end model with typewriter keyboard. PET models currently are \$595 & \$795. Tandy spokesman told us it has been delivering its TRS-80 (\$595) since Sept., will have demonstration units in selected Radio Shack stores by year's end. Ad in Dec. Popular Electronics will give 800 phone number for information—company would rather give information by telephone than depend on store salesmen. Taking orders at show, Tandy promised deliveries in one to 2 months. In Japan, Matsushita entered home computer field with Panakit KX-33, easily assembled \$160 kit aimed at 12-14-year-olds; limited-function device can perform simple control tasks, create music, has 4-digit LED display, doesn't interface with video. Among 58 exhibitors at Chicago show was "itty bitty machine company," using initials "IBM" . Coleco plans to enter home computer market on mass-market basis next year, Wall St. Journal says. Pres. Arnold Greenberg had previously said firm was "deep into project," wouldn't discuss timetable (Vol. 17:17 p11).

Digital audio recording moved into product stage, on professional level at least, at AES convention in N.Y. last week where 3M unveiled commercial studio equipment and Ampex announced tape line. Minicom Div. of 3M expects to offer 32-track studio system next year for "under \$150,000." System, developed in conjunction with BCC, uses special 1" tape, still unpriced. Ampex said it's now offering digital audio blank tape, selling 4,600-ft. reels at \$71.40 for 1/2", \$114.75 for 1". Japanese also got into digital act. Mitsubishi & TEAC gave first U.S. demonstrations of pulse code modulation (PCM) laser-read optical audio disc systems, and Mitsubishi also showed PCM audio tape recorder which uses VHS videocassette deck as transport.

Discouraging dealers from installing non-Detroit-supplied radios in new cars is clear goal of auto manufacturers who have started offering AM radios as standard equipment on some new-car models. In most cases, however, consumer gets credit if car is ordered with higher-priced radio or without radio. GM, meanwhile, has agreed to cooperate in House Small Business Antitrust Subcommittee study of feasibility of offering FM-AM radios as standard new car equipment.

MATSUSHITA RESULTS: Despite adverse effects of growing international trade restrictions and increasing value of yen, Matsushita reported its export sales increased faster than domestic volume in both 3rd-quarter & 9-month periods (see financial table). Matsushita said consolidated overseas sales volume rose 15.7% in quarter to \$509.5 million, 31.2% for 9 months to \$1.45 billion, while sales in Japan for same periods were up 5.2% to \$1.2 billion & up 7.1% to \$3.7 billion.

Matsushita said consumer electronics & components business was \$748.4 million in quarter, up 4%, \$2.33 billion for 9 months, up 12.9%, says it expects to report full-year earnings of about \$280 million, up 17%, on sales of \$6.95 billion, up some 8%. Separately, Matsushita said it plans to raise about \$112 million through 50-million share offering in Japan.

Wells-Gardner blamed 3rd-quarter sales decline and sharply increased loss on defective component which held up shipments, said situation has been corrected. W-G also said it's negotiating contract which "will put us back in the 19" color portable business" and improve its position in consoles, indicated shipments would start in Dec. While company won't comment on contract talks, it's known W-G has received Customs approval to assemble quota-free color sets using circuit boards & parts supplied by General of Japan. Presumably, such sets would be marketed here under General's Teknica brand by C. Itoh, which now imports Teknica sets from Japan.

E.F. Johnson reported 39.9% sales decline for 3rd quarter, 46.2% drop for 9 months, loss for both periods. Results include \$2.75 million CB inventory write-down reserve for quarter, \$5.23 million for full period. Company said it's negotiating new credit agreement which would give banks security interest in its assets.

Sony said net for year to Oct. 31 will be up about 10%, rather than anticipated 15%. Company said earnings have been hurt by rising value of yen, making its products more expensive and lowering profit margins in foreign countries.

Corning earnings for 3rd quarter (Vol. 14:43 p14) were after \$2.2-million charge for discontinuing operations related to production of glass for Mark IV picture tube it developed in conjunction with Zenith.

Resedal results for year to June 30 indicate 4th-quarter sales down 42.3% to \$5.9 million, loss of \$3.1 million, against \$911,000 loss in same 1976 period. Parent of Fanon/Courier blamed results on CB business.

Dynascan said results include CB inventory write-downs of \$550,000 in 3rd quarter, \$1 million for 9 months. In 3rd quarter last year, company wrote off \$2.3 million on inventory of 23-channel CBs.

Arvin said sales of compact stereo systems set 3rd quarter & 9-month records.

Help in overcoming TV interference problems, mostly CB, is offered by FCC in new, easy-to-read handbook: "How to Identify and Resolve Radio-TV Interference." Priced at \$1.50, copies are available from Consumer Information Center, Dept. 051F, Pueblo, Colo. 81009.

CB AT ITC: If figures submitted to ITC by E.F. Johnson on imports & U.S. shipments, retail sales & inventories (see p. 6) are accurate, 1976 inventories alone were enough to supply total 1977 consumer demand. Using complex formula involving FCC licenses and Johnson warranty card data (sales & inventories), Commerce Dept. figures and confidential ITC questionnaires (imports & domestic shipments), Johnson came up with following:

In 1975, unit imports & domestic shipments were 6.03 million, sales 4.4 million, with inventories at 1.5 million by year's end. In 1976, monthly imports & U.S. shipment ranged from low of 1.04 million (Jan.) to high of 1.9 million (July), while sales range was 567,372 (Oct.) to 1.05 million (March). That brought import & domestic total to 17.9 million, sales to 9.5 million—and left 9.9 million inventory. Though import & domestic rate tapered off somewhat in 1977, total was 8.9 million compared with 7.7 million sales, leaving inventories—with 1976 overhang—at 11.5 million.

Totals were challenged by several importers & importer groups at hearings, and Motorola Vp John Battin—appearing in support of petition—declined to speculate on inventory levels, indicated they needed further study.

Other developments: Nine major Japanese CB producers were planning to produce over 20 million units in 1976, with 13.5-15.3 million aimed at U.S. market, despite belief that demand would dip significantly in 2nd half, hit low in 4th quarter, then level off at 12-million annual rate in 4th quarter 1977, claimed economist Stanley Nehmer, supporter of petition. Nehmer said statement was based on "detailed & confidential" CB report prepared by Japanese consulting organization between May & Sept. of 1976.

Increase in imports resulted from "demand pull rather than production push" since Japanese CB makers were producing on the basis of orders received from U.S. marketers, Cybernet Pres. Haruki Tomonoh said. Cybernet did not immediately cut-back on production when first signs of decline became apparent in 1976, Tomonoh added, because U.S. purchasers assured company demand would pick up after 40-channel units went on sale Jan. 1.

VTR won't replace theater as major movie showcase, United Artists Theaters Financial Vp Gladstone Whitman told last week's National Assn. of Theater Owners convention in Miami Beach, in rebuttal to Arthur D. Little survey (Vol. 17:30 p8). He said it was difficult to imagine average consumer paying \$1,000-\$4,000 for hardware, \$50-\$70 for software. If million cassettes of \$10-million feature film were sold, he added, they'd cost \$70 each. Even with sale of 10 million cassettes, features would cost \$16 a copy.

Motorola consolidates domestic CB production at Seguin, Texas plant of Automotive Products Div. Move cost about 40 production jobs at Schaumburg facility of Communications Div., though most employees involved were reassigned, with some transferred to Seguin.

Trade Personals

James Badaracco advanced at RCA from Service Co. consumer products mktg. vp to Distributor & Special Products Div. vp-gen. mgr., succeeding **Paul Garver**, plans unannounced... **Don Brandt**, ex-KLH, joins Harman-Kardon as senior vp responsible for worldwide sales & mktg. in restructuring following acquisition of parent Harman International by Beatrice Foods; **Peter Dyke** appointed Harman-Kardon national sales mgr.; **Jason Farrow** advanced from ad & PR mgr. to mktg. services mgr.; **Chuck Harper**, ex-KLH, named western mgr.; **Nina Stern** appointed PR coordinator for all HI audio companies, including H-K, JBL, Tannoy, Ortofon & Bolivar Speaker Works.

Joseph Schlig, onetime Westinghouse, named Bozak pres. following speaker firm's acquisition by group of investors he heads; **Rudolph Bozak** continues as asst. to pres... **Mark Harris**, ex-Maxell, joins Yamaha as eastern mgr., N.Y. hq... **Scott Coleman**, ex-Abraham & Straus, appointed Stromberg-Carlson Consumer Electronics Group mktg. mgr... **Andrew McKinney** advanced at Phase Linear from asst. sales mgr. to mkt. development mgr.

Brian Dietz, ex-Abraham & Straus, appointed JVC Industries asst. national sales mgr... **Csaba Geczi** advanced at Channel Master to gen. mgr. of Ellenville, N.Y. antenna & accessory plant; **Ervin Kuczogi** promoted from engineering dir. to gen. mgr. of White Mills, Pa. Chroma Tube (picture tube rebuilding) facility, succeeding Geczi... **Randy Winegard** advanced from vp to pres., Winegard Co., succeeding John Winegard; **Eugene Dobroski**, mfg. mgr., & **Robert Fleming**, mktg. mgr., named vps.

Catherine Ciccolella, currently Dealerscope exec. editor, joins Mart next month as senior editor, N.Y. hq... **Robert Sheehy**, ex-Ampex, named Columbia Magnetics western sales mgr... **Christopher (Kit) Law**, ex-ad editor, named special projects editor, Ampex corp. PR.

Steve Zelenclik appointed Advanced Micro Devices national sales mgr., assuming some former duties of **Terry Jones**, who continues as mktg. vp... **Fred Anderson** appointed Cherry Electrical production vp; **Fred Ebert** succeeds Anderson as chief engineer... **Guy Entrekin**, Bourns pres., adds title of chmn., succeeding **Marlan Bourns**, who remains on board.

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"CES TV Daily" is 3-day, 90-min. special devoted to events & news at Winter Consumer Electronics Show, to be televised by KLAS-TV Las Vegas 6:30-8 a.m. daily Jan. 5-7, with Arthur Godfrey as host. Show will be produced by Leo Productions Inc., which is buying time from KLAS-TV, will sell spots to exhibitors and others interested in reaching CES attendees; rates probably will be announced this week. Leo Productions is joint venture of PRM Corp. (public relations, Oscar Katov, pres.) & Taurus Industries (TV production, Billy Graham, pres.).

Flat cathode-ray tube with 6-x-8-in. display area, only 2" deep, has been built by Texas Instruments. Experimental tube is designed for computer data display, but Electronics magazine says "video displays are not being ruled out" as eventual application of principle.

GE STRESSES TECHNOLOGY: GE has taken "leadership position in TV innovation & technology," TV Business Gen. Mgr. Fred Wellner said last week at N.Y. press briefing. As examples, he gave VIR TV set ("within 5 years everybody will have it"), in-line picture tube, portable color TV, infra-red remote and "exciting new concept in TV," to be introduced next year. He declined to comment further on upcoming product, or on our report last month that GE will introduce "innovative home projection TV set" in 1978 (Vol. 17:40 p10).

As to VTR, he said, "U.S. manufacturers have abdicated technical leadership in this area to off-shore producers." While GE will go along (see p. 8), company has no plans for extensive ad campaign—"I don't think I want to spend a lot of money to advertise sourced items... You can't stay in this industry and just be a middleman."

Profitability is necessary to fuel technology, Wellner said. "This is free enterprise and you can only invest money you make." He added that GE will increase advertising next year by 33% on top of 50% increase this year. GE has increased market share this year, he said, forecasting color sales of about 9.1 million in 1977, rising to record 9.5 million next year. He said GE is only manufacturer which assembles all its TV sets in U.S., although "our biggest employment is in Singapore" where color circuit boards are made.

He forecast Japanese would export more expensive & larger-screen color sets next year because of quota and rising yen value but doubted that public would buy "no-name leaders from Taiwan & Korea." He forecast higher prices, "marginally better" TV sets next year. As to this year—"you'll never buy a set for less."

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U.K. color TV total market (factory sales plus imports) rose 15.4% in first 8 months to 975,000, as U.K.-made sets edged up 7.1% to 785,000, imports jumped 69.6% to 190,000, BREMA reports. In b&w, total market rose 10.7% to 691,000, with U.K.-made up 14.7% to 313,000, imports up 7.7% to 378,000. For 8 months, imports took 19.5% of color market (up from 13.3%), 54.7% of b&w (down from 56.3%). Other products: Audio systems 298,000, down 16.3%; phonos 53,000, down 48.5%; radios 3.06 million, up 32.1%.

Advent VideoBeam is being aimed at specialized audiences. Full-page ad in Nov. 2 Variety quotes "Ted Cohen, record executive, video freak, young man on the way out" on his personal uses for "the Beam": Saturday morning cartoons, videotapes of rock-&-roll concerts, video games. Price (\$3,000 for Model 750) is played up in subhead as selling point.

Sylvania introduces color tube with Integral Surge Limiter (ISL) system to protect TV sets from damage caused by arcing in electron gun, will offer it to OEM customers. Under development for 2 years (Vol. 16:24 p9), ISL lowers peak value of arc current to 15 amperes (from about 200), cuts duration of arc to 100 nanoseconds by adding resistive material between funnel area & gun.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Autiotronics			
1977-qtr. to Sept. 30	4,143,000	264,000	.28
1976-qtr. to Sept. 30	3,286,000	250,000	.27 ^a
Avnet			
1977-qtr. to Sept. 30	186,324,000	9,243,000	.60
1976-qtr. to Sept. 30	174,773,000	9,183,000	.65
BBDO International			
1977-9 mo. to Sept. 30	69,500,000	5,908,000	2.35
1976-9 mo. to Sept. 30	61,500,000	5,250,000	2.09
1977-qtr. to Sept. 30	22,500,000	1,906,000	.76
1976-qtr. to Sept. 30	20,500,000	1,722,000	.69
Cowles Communications			
1977-9 mo. to Sept. 30	--	2,520,000 ^b	.63
1976-9 mo. to Sept. 30	--	2,795,000	.70
Doyle Dane Bernbach			
1977-9 mo. to Sept. 30	49,478,000	3,259,000	1.74
1976-9 mo. to Sept. 30	43,118,000	2,850,000	1.57
1977-qtr. to Sept. 30	14,102,000	118,000	.06
1976-qtr. to Sept. 30	13,060,000	55,000	.03
Dynascan			
1977-9 mo. to Sept. 30	68,095,000	407,000 ^c	.15
1976-9 mo. to Sept. 30	78,965,000	7,296,000 ^c	2.76 ^a
1977-qtr. to Sept. 30	12,432,000	(682,000) ^c	--
1976-qtr. to Sept. 30	22,992,000	232,000 ^c	.08 ^a
Electro Audio Dynamics			
1977-year to July 30	56,156,000	(1,495,000)	--
1976-year to July 31 ^d	46,989,000	777,000	.30
Esquire Radio & Electronics			
1977-9 mo. to Sept. 30	23,652,751	893,558	1.40
1976-9 mo. to Sept. 30	14,382,618	590,275	.92
1977-qtr. to Sept. 30	10,105,220	362,991	.57
1976-qtr. to Sept. 30	6,870,754	269,432	.42
Globe-Union			
1977-year to Sept. 30	391,900,000	23,216,000	7.29
1976-year to Sept. 30	289,381,000	11,794,000	3.67
Grey Advertising			
1977-9 mo. to Sept. 30	44,353,000	2,748,000	3.84
1976-9 mo. to Sept. 30	41,874,000	2,147,000	2.08
1977-qtr. to Sept. 30	14,186,000	607,000	.95
1976-qtr. to Sept. 30	13,568,000	533,000	.60
Heritage Communications			
1977-9 mo. to Sept. 30 ^d	3,714,225	(793,129)	--
1976-9 mo. to Sept. 30 ^d	3,206,495	(42,885)	--
1977-qtr. to Sept. 30 ^d	1,253,475	(225,058)	--
1976-qtr. to Sept. 30	1,094,443	(4,703)	--
E.F. Johnson			
1977-9 mo. to Sept. 30	42,565,000	(8,392,000)	--
1976-9 mo. to Sept. 30	79,099,000	5,033,000	1.97
1977-qtr. to Sept. 30	10,287,000	(4,432,000)	--
1976-qtr. to Sept. 30	17,128,000	(229,000)	--
Lafayette Radio & Electronics			
1977-qtr. to Oct. 1	18,149,000	(439,000)	--
1976-qtr. to Sept. 30	20,250,000	202,000	.09
Lloyd's Electronics			
1977-6 mo. to Sept. 30	57,547,000	565,000	.30
1976-6 mo. to Sept. 30	46,349,000	667,000	.35
1977-qtr. to Sept. 30	38,836,000	1,202,000	.64
1976-qtr. to Sept. 30	29,308,000	937,000	.49
Matsushita Electric^e			
1977-9 mo. to Aug. 20	5,172,007,000	209,120,000	2.11 ^f
1976-9 mo. to Aug. 20	4,580,569,000	170,989,000	1.72 ^f
1977-qtr. to Aug. 20	1,712,674,000	70,929,000	.71 ^f
1976-qtr. to Aug. 20	1,583,360,000	63,401,000	.64 ^f
MGM			
1977-year to Aug. 31	288,545,000	33,188,000 ^b	2.35
1976-year to Aug. 31	266,008,000	35,557,000 ^b	2.49 ^a
1977-qtr. to Aug. 31	67,527,000	12,029,000 ^b	.86
1976-qtr. to Aug. 31	72,299,000	18,031,000 ^b	1.26 ^a

Company & Period	Revenues	Net Earnings	Per Share
A.C. Nielsen			
1977-year to Aug. 31	269,483,000	20,206,000	1.87
1976-year to Aug. 31	231,653,000	17,148,000	1.62
1977-qtr. to Aug. 31	72,335,000	5,874,000	.54
1976-qtr. to Aug. 31	60,674,000	4,826,000	.46
Ogilvy & Mather			
1977-9 mo. to Sept. 30	105,326,000	6,520,000 ^b	3.44
1976-9 mo. to Sept. 30	78,317,000	4,633,000 ^b	2.50
1977-qtr. to Sept. 30	36,602,000	2,190,000 ^b	1.16
1976-qtr. to Sept. 30	26,240,000	1,712,000 ^b	.92
Resdel Industries			
1977-year to June 30	29,591,514	(3,954,000)	--
1976-year to June 30	41,505,809	3,212,561	3.36
Soundesign			
1977-9 mo. to Sept. 30	110,427,000	6,612,000	2.06 ^a
1976-9 mo. to Sept. 30	95,806,000	6,141,000	1.86 ^a
1977-qtr. to Sept. 30	49,200,000	3,422,000	1.07 ^a
1976-qtr. to Sept. 30	42,535,000	3,248,000	.97 ^a
Texas Instruments			
1977-9 mo. to Sept. 30	1,471,818,000	84,509,000	3.70
1976-9 mo. to Sept. 30	1,187,701,000	68,115,000	2.97
1977-qtr. to Sept. 30	516,597,000	29,534,000	1.29
1976-qtr. to Sept. 30	426,136,000	24,259,000	1.06
20th Century-Fox			
1977-9 mo. to Sept. 24	361,628,000	40,061,000	5.16
1976-9 mo. to Sept. 25	259,786,000	5,098,000	.67
1977-qtr. to Sept. 24	171,473,000	31,607,000	4.02
1976-qtr. to Sept. 25	98,892,000	7,641,000	1.01
Wells-Gardner Electronics			
1977-9 mo. to Sept. 30	6,466,000	(1,801,000)	--
1976-9 mo. to Sept. 30	9,545,000	(555,000)	--
1977-qtr. to Sept. 30	1,695,000	(572,000)	--
1976-qtr. to Sept. 30	5,171,000	100,000	.24

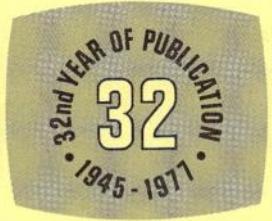
Notes: ^aAdjusted. ^bIncludes special credit. ^cAfter special charge. ^dRestated. ^eAt 267 yen=\$1. ^fPer ADS.

Mergers & acquisitions: Dynamics Corp. of America is acquiring Erie Technological for undisclosed cash sum... Bell & Howell sells subsidiaries B&H Communications & Composite Microcircuits to Kel Corp., new company launched by former managers of those operations and Mass.-based Trans World Services. Terms weren't announced... Avnet agreed to stock-swap acquisition of Circuit Technology, hybrid circuit producer... GE is selling Irmo, S.C. capacitor operation to N. American Philips for \$10 million. Unit makes & imports aluminum & tantalum capacitors, will become part of NAP subsidiary Mepco/Electra... P.R. Mallory is buying 25% minority interest in European subsidiary from Ever Ready of U.K. for about \$19 million. Deal will give Mallory full ownership of operation which makes batteries in U.K. & Belgium. Ever Ready isn't related to Union Carbide, U.S. producer of Eveready-brand batteries... Dynacircuits Inc., Franklin Park, Ill., has bought major part of former Warwick printed-circuit facility there for about \$250,000... Mergers in electronics industry totaled 21 in 3rd quarter, up from 17 in same 1976 period, according to broker W.T. Grimm... Hy-Gain declines comment on reports it's being considered as takeover target by Rockwell. Company said it arranged new \$25-million credit line... Superscope acquired Auriema, its Australian distributor... Robert Bosch agrees to sell half its 25% interest in American Microsystems to Borg-Warner. Bosch will transfer its AMI ownership to Applied Electronics, holding company of which it & B-W will each own 50%.

WEEKLY

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NOVEMBER 14, 1977

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

REWRITE BACK ON TRACK, Van Deerlin says after broadcaster & cable meetings in San Diego. Broadcasters chary, reject proposed 'swap,' will meet Dec. 7-8 to come up with TV-radio position. Senators cool to rewrite. (P. 1)

WESTERN CABLE SHOW SHINES: Optimism exudes as 2,500 gather in San Diego. Nine members of Congress are encouraging to cable on everything but forfeitures. Hollings promises 'major' cable legislation in 1978. (P. 2)

FCC MUST CONSIDER ACCESS as tool to enforce fairness, Appeals Court rules. Also likes Geller's 10-question concept. FCC upheld, however, on exemption of product commercials. (P. 3)

NAB WITH CAL. PUBLIC: San Diego meeting goes much smoother than Boston session. Questions pertinent & diverse. (P. 4)

TYRONE BROWN joins FCC Nov. 15, Justice Marshall swearing in. (P. 4)

FTC KID AD ACTION NEAR: Pertshuk looks for early Dec. decision, says 'ban' may be only answer. Meets cereal makers Nov. 22. Public Health still tries persuasion. (P. 4)

HOME VTR WARNING to broadcasters from Bcst. Rating Council's Beville: Pay attention or valuable additional audience will 'slip through crack.' Sees VTR impacting negatively on cable & pay TV. (P. 5)

REWRITE BACK ON TRACK—VAN DEERLIN: "It's now established that there's going to be one"—a rewrite of Communications Act—Chmn. Van Deerlin (D-Cal.) said in San Diego last week after he & Rep. Frey (R-Fla.) met with separate broadcast & cable advisory groups. Van Deerlin called 5-1/2-hour meeting with broadcasters "the most hopeful development yet," and both congressmen said they're now more optimistic that legislation will get through Congress before 1980—goal Van Deerlin had set just 10 days ago (Vol. 17:45 p4).

Broadcasters, however, didn't think much new ground was broken during Van Deerlin-Frey session. "The meeting was very unstructured and disorganized," we were told. "It didn't get serious until near the end...The Committee had no proposals whatsoever."

Van Deerlin did propose swap: Rewrite would drop fairness doctrine & Sec. 315 in return for stations accepting right of access for public. All broadcasters present but one rejected concept. Subcommittee Chief Counsel Harry Shooshan raised possibility of 1% tax on station revenues to support public broadcasting and to help minorities obtain ownership; this was rejected unanimously by broadcasters. "The Committee kept talking about trade-offs, asking what we'd

Consumer Electronics

RETAIL SOFTNESS suddenly shows up in color, but there are some indications that boom is resuming. At wholesale, Oct. was best 4-week month in history. Moving average at all-time high. (P. 7)

BETAMAX REPRICED at \$1,095 by Sony, \$100 above identical Zenith deck. Big retail ad surge for Zenith at new price. Slow sales, imminent new model, seen major factors in Zenith price cut. (P. 8)

COLOR MARKET SHARE held by imports dropped sharply in 3rd quarter as U.S. hiked output to fill void left by declining imports. Total new color supply for 3rd quarter & 9 months just short of records. (P. 8)

FCC BARS CB sales date extension, triggering concern pre-Christmas market will see even cheaper CBs. Some look for flood of illegal sales. (P. 9)

VTR STUDY shows 93% of dealers handling or planning to carry home videocassette recorders. (P. 10)

KLUCKMAN ZENITH PRES., Wright heads new exec. committee, Nevin continuing as chmn. & chief exec. Nevin hospitalized for tests. (P. 11)

VIDEODISC PROGRESS by RCA: Integration to result in player more than 50% smaller than prototype. 'Live scan' feature added for visual segment location. Automatic repeat control. (P. 11)

ITC HEARINGS continue echoing through CB industry, with hassle over inventories. (P. 11)

be willing to give up. We didn't propose giving up anything," broadcaster told us.

At suggestion of Subcommittee, TV-radio group meets again in Chicago Dec. 7-8, hoping to compile list of changes in rewrite that broadcasters would & could accept. Group rejected proposal of NRBA Pres. James Gabbert that TV & radio broadcasters come up with separate proposals, decided to bring NAB & other industry groups into formal participation.

Van Deerlin told informal news conference at Western Cable Show that Subcommittee hadn't backed away from option papers. "They remain just what they are—options." However, he added, he "never expected very many to be adopted." He believes Subcommittee is closer now to satisfying broadcasters' objections than ever, added there's "no way we can do anything quickly" if either broadcast or cable industries actively oppose rewrite.

At Western Show breakfast, Frey said rewrite effort "is a tremendous task... It'll be hard to do and we may fall flat on our faces." He said rewrite is necessary because of changing technology, but predicted "it's really senseless to bring it out" of Subcommittee unless that group is unanimous.

Rep. Waxman (D-Cal.) said he's optimistic: "I think we are going to make giant strides." He saw "little if any need" to divest system owners from programming, said in any rewrite cable will be regulated "only to the minimal extent necessary." Most, if not all, restrictions in major markets will be repealed, he predicted.

Senate Communications Subcommittee Chmn. Hollings (D-S.C.)—speaking at Nov. 11 Western Show lunch—said he would wait to see what happened in House on rewrite: "We feel it is more realistic to grapple with the important segments of the [telecommunications] problem that can be passed through both houses rather than futilely attempting the omnibus approach." But, Hollings continued, this doesn't mean there won't be cable legislation and "for better or worse, you have our attention." He added that Van Deerlin has his support on rewrite efforts and "I look forward to receiving the House-passed rewrite legislation."

On panel same day, Sen. Cannon (D-Nev.) supported Hollings: "I do not believe the Senate Communications Subcommittee or the full Senate is ready to rewrite the Communications Act." He also said "Congress should act on cable TV" legislation early in 1978.

WESTERN CABLE SHOW SHINES: San Diego became capital of U.S. communications industry for 3 days last week, what with the Western Cable Show (which attracted 2,500, including 1,100 system operators) and an NAB fall conference & public town hall meeting (see p. 4). Major issue at both meetings was proposed rewrite of Communications Act—with 2 senators throwing cold water on optimism of House Communications Subcommittee Chmn. Van Deerlin & other congressmen (see p. 1).

Over-all optimism exuded at Cable Show, however, bankers were there in force with money for expansion, rebuilding, etc. Most exhibitors (except those not in main hall) were happy with traffic. Pay-cable programmers reported "super" responses, as one told us. Much optimism was expressed by legislators for pole attachment bill. Fiber optics was much talked about—with Van Deerlin, NAB Pres. Vincent Wasilewski & Exec. Vp John Summers getting long demonstration of operating system from entrepreneur Irving Kahn. (Wasilewski & Summers also got tour of cable exhibits from NCTA Pres. Robert Schmidt.)

Major cloud on Cable Show was cast by Sens. Hollings (D-S.C.), chmn. of Communications Subcommittee, & Cannon (D-Nev.), member of same Subcommittee. Both said FCC forfeiture authority over cable systems is coming as part of pole attachment bill (Van Deerlin made same point in news conference). Hollings also stressed that his "Subcommittee plans to move next year toward a major legislative initiative on cable TV." He said Subcommittee received 2 specific proposals (from Henry Geller & CTIC) and "the Committee will work toward developing its own specific approach." Senators promised that Congress won't allow Commission to use new authority for "harrassment," that fines will be permitted only for major violations. Said Hollings: "I do not think that the Commission should be denied the power to enforce its rules merely because some rules are challenged." Cannon: "Most of the FCC rules are proper and must not be flouted."

House has passed pole attachment bill which doesn't include forfeiture; Senate Commerce Committee has reported out bill which does. There's little likelihood Senate will act this session, although passage is likely early in 1978. House leaders have made clear they'll accede to Senate on forfeiture issue. Commented NCTA dir.: "We don't like the situation, but we don't have much choice but to accept it." On other hand, Van Deerlin said CATA had told him that that organization of small cable systems would continue to fight forfeitures. Through assistance of then House Speaker Albert (D-Okla.), CATA was able to stop passage of cable-forfeiture bill year ago.

Cal. Cable Assn. received much praise—from system operators & congressmen—for pushing pole attachment bill through Cal. legislature. It was termed model for other states, with Rep. Moss (D-Cal.) noting Cal. bill contains "zone of reasonableness" provision on pole fees, also in House-passed bill. Moss said he has "high hopes" for FCC under stewardship of new Chmn. Charles Ferris, urged "realignment" of Commission staff. He also hit "obstacles" imposed on cable under previous FCC administrations.

Cable execs. surely didn't like statement of Cannon on regulation. Senator stressed Commission must consider economic impact of de-regulation on small TV stations. He called for full-scale study of such impact, although stressing it's "difficult" for cable to expand under current regulations.

In earlier panel, Reps. Mineta (D-Cal.), Russo (D-Ill.) & Danielson (D-Cal.) said nice things about cable (all told, 9 members of Congress appeared at Western Cable Show). "Obviously, it's time to give cable TV a regulatory mandate of its own," said Mineta. He proposed an "economic system" which would reward cable & TV-radio stations for providing access voluntarily to public groups. Russo said Congress should pass legislation recognizing CATV as "a communications media in its own right." He said cable is looked on as "illegitimate" in eyes of many since it isn't mentioned in any legislation.

Danielson said cable TV "is an entity of its own" and as such co-equal to TV. "It should no longer be considered merely an appendage of broadcasting." All the congressmen warned that cable should work closely with state legislators and not look to Washington to solve all its problems.

FCC Comr. Margita White charged cable industry with trying to work both sides of regulatory street. "At the same time you are challenging our jurisdiction over cable TV and asking for rescission of the 1972 rules, the Commission may not be overly sympathetic to your request that it step into entirely new areas..." she said, noting CATV petitions asking FCC to move into pole attachments, program exclusivity, state & local regulation of subscriber rates, pay cable rates, franchising proceedings, franchise fees.

FCC Comr. James Quello said he favored forfeitures and, he added, he favors legislation increasing broadcast forfeitures "for particularly large, egregious violators." Defending exclusivity contracts, he said: "To permit additional distribution of such exclusively purchased programming wipes out the very exclusivity for which [broadcaster] has negotiated and paid."

COURT CITES ACCESS AS FAIRNESS TOOL: Fairness doctrine decision of D.C. Circuit Appeals Court late Nov. 11 would have been termed "interesting" if FCC Chmn. Wiley were still sitting, but it rates label "important" under Ferris. What Court did was send case back to Commission with orders it consider: (1) Right-to-access techniques for achieving fairness suggested by Committee for Open Media (COM) and (2) Intervenor Henry Geller's suggestion that Commission require licensees to list 10 controversial issues of preceding year—and how they were covered.

Chances of adoption under Wiley would have been nil. Ferris is something else—precisely what, no one knows yet. During confirmation hearing, he said access seems "desirable," but noted difficulties with "mechanisms," because of time scarcity, demand, etc.—and he was aware of pending court case. He also indicated "open mind" on counter-commercials.

Judges Wright, McGowan & Tamm—in 3 consolidated cases—upheld several parts of FCC's Fairness Report, issued in 1974 after 5 years of inquiry. It confirmed Commission's decision

to "exempt product commercials which do not 'obviously and meaningfully address a controversial issue of public importance,'" said FCC hadn't violated environmental protection statutes, said there's nothing wrong with Commission's case-by-case consideration of fairness complaints (vs. judgment only at renewal time).

Ideas suggested by COM, which Court said FCC must consider: (1) Each station must set aside one hour weekly for spots & longer messages by members of public. (2) Half that time would be allocated on first-come basis; other half, "on a representative spokesperson system." (3) Time used would be "nondiscretionary as to content with the licensee." (4) Broadcaster would still be required to "ensure that spots, messages or other forms of response to 'editorial advertisements' are broadcast."

Regarding Geller's 10-question proposal, Court said: "There is no indication that this rather modest proposal has received the serious consideration it deserves."

Sidelight: Frank Lloyd, now administrative asst. to FCC Chmn. Ferris, was counsel, with Charles Firestone, for COM. Collot Guerard, wife of new FCC Gen. Counsel Robert Bruce, was a lawyer for public interest groups Council on Economic Priorities and United Farm Workers of America.

NAB WITH CAL. PUBLIC: Broadcast executives were praised in San Diego last week for having the "guts" to face their critics in Assn.'s 2nd attempt to explain Code & industry intricacies to public (Vol. 17:43 p4). Unanimous verdict of broadcasters was that 3-hour Cal. session—with about 300 present at start (most students), about 2 non-broadcasters at 11 p.m. end—went much better than Boston. Public was "much less angry," we're told.

Questions, too, were of much higher quality and more diverse last week and there were few long-winded speeches of personal complaints, as occurred in Boston. NAB Pres. Vincent Wasilewski placed loosely-imposed 2-min. limit on public, and answers generally ran longer than questions.

No new ground was broken among 38 public participants who spoke, nor were there organized pressure groups as in Boston. Questions generally dealt with news (too much or not enough), portrayal of women, children's TV, personal product ads, public access, loud commercials and PTA campaign against violence. Public meeting was held in conjunction with NAB fall conference in San Diego.

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Tyrone Brown, confirmed as FCC member by Senate Nov. 4, takes oath at FCC Nov. 15, from Supreme Court Justice Thurgood Marshall. First appointment is Zora Brown (no relation), as confidential asst. She's from staff of Rep. James Wright (D-Tex.), House majority leader, previously served in White House as an administrative asst., after 6 years with Ford Motor Co., Washington.

NAB seeks more time—to June 30, 1978, instead of Dec. 1 deadline—to file comments in FCC inquiry into economic relationships between broadcasting & cable. NAB said it must retain outside researchers, "a costly & tortuous process." It also said FCC's recently released economic studies require much more time to analyze.

Comments on performance rights study of Copyright Office (Vol. 17:45 p4) are requested by Dec. 1, replies Dec. 12.

FTC KID AD ACTION NEAR: Stronger hints toward ban or restrictions on children's ads came from FTC Chmn. Pertschuk last week, and he promised decision—one way or other—in early Dec. Speaking before ACT-sponsored Boston seminar, he said: "It may be that only a ban on the advertising of these products directed toward the young child can remedy their inherent defect." Cereal manufacturers have sought session with him, and it's set for Nov. 22.

Meanwhile, Public Health Service has been stepping up low-key campaign to persuade food advertisers to include nutrition in ads voluntarily—particularly in messages directed to children. Jane Fullerton, product dir., says she can't report progress in year-long effort, hopes FTC's prospective action may persuade food makers to heed PHS's "non-regulatory, non-adversary" proposals.

Dec. 5 is date for next seminar by Georgetown U. Law Center in "Children & Advertising" series. Subject: "Regulatory Mechanisms of the Broadcast Industry."

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"It could be disastrous," House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) said last week of FCC inquiry proposing to require 45-day notice (to permit minorities to bid) before station could be sold. He said solutions must be found to help minorities acquire stations but that current inquiry isn't answer. Van Deerlin was speaking at San Diego NAB convention which attracted 332; Denver had 315 earlier in week. Annual tour ends Nov. 14-15 in Dallas.

Grant of 10-watt educational FM on 89.5 MHz in Lincoln has been challenged in D.C. Appeals Court by WOWT (Ch. 6) Omaha, on grounds of expected interference. FCC said FM grantee was expected to alleviate any interference before beginning regular operations.

Revised cable franchise & certification rules have been appealed, in 9th Circuit (San Francisco), by Teleprompter, Warner and Focus Cable of Oakland.

HOME VTR WARNING: Broadcasters & ratings organizations can't afford to ignore potential of home videocassette recorder—as ally, which increases audience. So said Hugh Beville Jr., exec. dir. of Bcst. Rating Council, in address prepared for Nov. 14 N. Y. meeting of Radio & TV Research Council.

"I believe that over the next decade, by unhinging the program from the time period, the home VTR will outpace the growth of both cable & pay TV," he said. "In fact, it may well impact negatively upon both of these. And if broadcasters awake to the potentialities of this device, it can both increase TV viewing and slow the emergence of competitive services."

Beville elaborated in talk on points he made in Television Digest interview Sept. 5 (Vol. 17:36 p8). Major problem, he asserted, will be to measure VTR's audience effect accurately. He said TV "has been guilty of 2 major audience giveaways and I would not like to see a 3rd": (1) Present TV ratings overlook millions in out-of-home audience (hotels, summer homes, hospitals, etc.). (2) Impact of color is ignored in TV measurements. He warned that unless cassette viewers can be measured, "sizeable slice" of TV viewing could "slip through a crack." How sizeable? He estimated VTR could eventually reach at least 50-60% of TV households. He chided broadcasting & advertising people for ignoring coming boom in home VTR, pointing out that new medium will represent "additive audience for TV stations," as opposed to cable & pay-TV originations, which compete.

VTR gives viewer new freedom, Beville said, by destroying "temporal tyranny," ending "least objectionable program" concept, because viewers at any time can watch any program presented any previous time. "The generally unprogrammed period from 1-6 a. m. represents a potential for the presentation of many specialized features, which can be taped [in the home] for later playback." Home video should grow faster than color TV, he forecast, because: (1) It has no software problem—plenty of programs are available. (2) Not one but 12 manufacturers will be aggressively marketing sets. Beville predicted discounted prices in \$700 range next fall and possibility of \$500 price within 3 years.

The 2 rating services currently handle VTR audiences differently. Arbitron gives credit, in both diary & meter services, only for viewing which occurs at actual broadcast time. If videocassette is recorded without viewing, set is considered off, as it is at time of VTR playback, ignoring any delayed viewing. Nielsen meter service gives credit for original recording, even when TV set is not in use, but not for playback. Nielsen diary services give credit for both recording & playback. Beville cited these problems: (1) What audience composition is credited to program recorded when no one is at home? (2) Should diary service credit program replayed on same day it is recorded? Same week? Same month? (3) What about 2 or 3 replays? (4) Should replays of same program receive viewer credit if viewed by different individuals? By same individuals?

Beville also treated other video technologies and

their impact on ratings: (1) Video games, discs, electronic cameras, pre-recorded videotapes don't represent HUT (homes using TV) and shouldn't be included. (2) Large-screen projection currently has no impact because there are too few. (3) Small-screen battery portable TV seems unlikely to become mass-market item soon, but use isn't likely to be measured successfully if it does. (4) Local cable programming hasn't yet shown up in ratings, and it's questionable whether diary procedures will make it possible to report pay or free cable audiences for individual systems. New "network" approach to cable as exemplified by Madison Sq. Garden sports hookup (Vol. 17:41 p6) could change picture, leading to client pressure for reportable audience data. As audience grows, there will be need for measurement of entire cable field.

Small Business Administration loans to buy or build stations & cable systems (Vol. 17:36 p1) may be available as early as 2 months, now that proposal has been issued. Proposal would allow loans to TV-radio for first time, and it changes cable rules to allow loans to systems that originate—previously excluded. SBA can guarantee loans by banks up to \$500,000 each, limited to that by statute. It can grant loans itself up to \$350,000, but in practice usually grants much smaller amounts. Proposal carefully avoids mentioning that minorities are prime targets for loans—but SBA attorney Howard Cooper said it's expected minorities will be very active among applicants. He conceded that SBA didn't want to be accused of "reverse discrimination." Amount to be loaned isn't specified, he said, and agency doesn't have quotas for various businesses. It's estimated 90% of its activities were of guarantee type last year—and that about \$2 billion total was loaned. Comments are due Dec. 12.

Annual employment report to FCC—Form 395—would be changed under rulemaking started by FCC in response to complaints by minorities, women, U.S. Commission on Civil Rights, et al. Complaints are that broadcasters camouflage low-level jobs for women & minorities in high-sounding titles. Commission also proposed adding OMB's "Race & Ethnic Standards for Federal Statistics & Administrative Reporting"—to achieve federal uniformity. Comments are due Jan. 23, replies Feb. 22.

CBS KMOX(AM) St. Louis was fined \$5,000 by FCC for failure to log duration of commercials properly, and it was admonished for broadcasting up to 26 min. of commercials per hour despite its statement in 1973 & 1976 renewal applications that it ordinarily limited commercials to 18 min. FCC said station logged as 30-sec. spots some as long as 2 min.; as 60-sec., some as long as 4 min. & 5 sec.

NAB Las Vegas convention April 9-12 has record amount of exhibit space signed up, according to Exhibit Mgr. Edward Gayou. He reports that 233 exhibitors (188 last year) have signed up for 114,000 sq. ft. (30,000 more than final 1977 figure).

KMCC-TV Lubbock appoints Katz rep.

Personals

Frank Washington, ex-OTP and Arnold & Porter, is now aboard FCC as legal asst. to Chmn. Ferris, who is considering applicants for legal aide with common carrier background.

John Backe, CBS pres., speaks at IRTS luncheon Nov. 15, Plaza Hotel... **Chester Simmons** advanced to NBC Sports Div. pres.; **Al Rush**, former Sports exec. vp, will report to Pres. Schlosser, handle variety of projects... **Alan Gerson** named NBC vp, compliance & practices; **Adolfo Luca** named senior counsel NBC Law Dept... **Elizabeth Allen** appointed program attorney, ABC-TV Contracts Dept.

Mark Meagher advanced to pres. & chief operating officer, Washington Post Co., from head of Newspaper Div. business operations; since Feb., **Katherine Graham** has served as chmn. & pres... **William Fagan** appointed gen. sales mgr., WFSB-TV Hartford; **Nancy Boyer** local sales mgr.; **Paul Orio** national sales mgr.

Ed White, ex-Gay Bell stations, named local sales mgr., WDRB-TV Louisville... **Georgia Gould** advanced to acting promotion mgr., WTCN-TV Minneapolis... **Richard Skrinjar** named promotion dir., WIIC-TV Pittsburgh.

W. Allen Wallis, CPB chmn., speaks Nov. 17 to N.Y. chapter, NATAS... **Deanna Nash** senior research analyst, Kirschner Assoc., and **Dale Rhodes**, dir., audience service, U. of N.C., named PBS dir.-system research and dir.-communications research, respectively... **Linda Winslow** promoted to dir., news & public affairs, WETA-TV Washington.

Henry O'Neill Jr. appointed Top Market TV exec. vp... **Paul Shrage** named vp, advertising & sales promotion, Columbia Pictures TV Worldwide Distribution... **Russell Stoneham**, ex-Quinn Martin Productions, named vp-program development, Metromedia Producers Corp.

H.K. (Hank) Sauer, ex-Harris Satellite, appointed pres., Oak CATV Div... **A.J. (Al) Myrdek** named vp, Magnavox CATV Systems... **Robert Freedlund** advanced to national sales mgr., Cerro CATV products... **Donald Stackhouse** appointed RCA Globecom vp, operations & engineering; **Leonard Tuft**, vp, leased facilities; **James Hepburn**, vp-technical dir... **William Yasueda**, ex-Karex, named Recortec video product mgr.; **Sidney McCollum** national sales mgr., video products.

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NCTA doesn't want networks controlling upcoming pool coverage of House floor proceedings, board decided last week. It took position that House employees should man cameras, make coverage available to everybody. Networks want to control cameras themselves. In other actions, board: (1) Heard presentations on Administration's public broadcasting legislation, decided generally to support White House position. "This doesn't mean we'll accept everything the White House proposes," a dir. told us. (2) Heard "well received" presentation on fiber optics. (3) Discussed pole attachment legislation. (4) Approved Washington for April 1981 convention. (5) Agreed to provide 50%—up to \$25,000—for appeal of broadcaster exclusivity contracts.

Unusual UHF application: Springfield TV [WWLP] Springfield, Mass. seeks Ch. 20 Salt Lake City, urges FCC to drop plans to drop in VHF there. Applicant says it has committed \$3.4 million to new station and: "If this station fails, then even Springfield might have to concede that the drop-in VHF station might be necessary. However, if the station succeeds, which Springfield TV fully expects, then the Commission must concede that a drop-in VHF channel is not required and that serious questions exist as to the validity and accuracy of its models and forecasts for Salt Lake City. If so, serious questions must also exist as to the accuracy of the Commission's models and forecasts for the other designated drop-in markets."

Irby Turner Jr., Miss. lawyer nominated to CPB board, claims he attended only one meeting and paid \$10 membership fee of white supremacy group with which he has been linked. He said he dropped out in early 1960's because he became concerned about direction it was headed. Turner, whose Senate confirmation hearing last month was without opposition, but which is still open (Vol. 17:44 p4), was accused by various black and public interest groups of being insensitive to minorities and of having blocked pro-black activities while chairman of Miss. ETV Commission (Vol. 17:45 p5). At news conference last week, President Carter said he wasn't aware of allegations and that he would look into them, adding: "I always think it's good to give people a chance to change, if they will."

Pooling election-night projections—just as raw vote data is now pooled—was suggested by NBC Chmn. Julian Goodman, and ABC & CBS promptly declined to go along. Speaking at meeting of Audit Bureau of Circulations, Goodman said: "Each network... would have access to all the raw [projection] data and would, of course, add its own expertise to the analysis of results. But each would be working from the same set of scientific figures, and the prospect of error (in calling winners) would be further reduced. Importantly, it would also reduce the temptation to make an early call on less than complete data for fear of being beaten by a rival network."

Carnegie Commission on Future of Public Bcstg. adds staffers: Rick Beatty, ex-PBS, funding; Samuel Carradine, ex-OTP, technology; Ted Carpenter, ex-NCCB, public participation; Richard Polsky, ex-educational consultant, programming; Robert Stengel, ex-NCTA, publicity (part-time). Others: Laura Perkins, ex-Family Communications; Dennis Dort, ex-Mass. Atty. Gen. office; Michael Goldstein, ex-Martha Stuart Communications; Deborah Mack, ex-CTIC.

Vow to make no speeches for 6 months hasn't been difficult to keep, according to FCC Chmn. Charles Ferris. "I've received about 30-35 requests," he said, "but there haven't been any problems, because everyone knows he's getting equal treatment." Recently, he's been "brown-bag" lunching with bureau chiefs—taking personal staff with him to offices of bureau heads who bring in their lieutenants. Ferris said he has no major staff appointments ready for announcement soon.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 28 (43rd week of 1977):

	Oct. 22-28	1976 week	% change	Oct. 15-21	10 mo. 1977	10 mo. 1976	% change
Total TV.....	472,010	424,151	+11.3	415,014	11,498,548	9,995,177	+15.0
color	293,996*	250,637	+17.3	242,341	7,145,064	5,963,590	+19.8
monochrome ..	178,014	173,514	+2.6	172,673	4,353,484	4,031,587	+8.0
Total radio	1,733,185	2,558,907	-32.3	1,308,614	44,292,608	34,080,521	+30.0
home, portable	1,437,457	2,279,034	-36.9	1,049,505	33,891,177	23,750,026	+42.7
AM-only....	510,506	797,739	-36.0	294,667	8,289,830	7,087,549	+17.0
FM & FM-AM	926,951	1,481,295	-37.4	754,838	25,601,347	16,662,477	+53.6
auto.....	295,728	279,873	+5.7	259,109	10,401,431	10,330,495	+0.7

Color TV 5-week moving average: 1977—251,566**; 1976—209,349 (up 20.2%).

*Record for 43rd week of any year. **Highest in history.

RETAIL SOFTNESS MARS RECORD COLOR MONTH: Unmistakeable signs of softening in this fall's retail color boom showed up late in Oct.—a record-breaking month in sales to dealers (Vol. 17:45 p7). Opinions differ as to whether problem was just 2- or 3-week glitch or whether slow sales are continuing into mid-Nov.

Evidence of some stuttering is abundant, 3 major manufacturers conceding some sales hesitancy. "Dealers have stocked up and we hope to sell through, but the market definitely has been soft the last 2-3 weeks, particularly after some of our promotions expired," said one. From another: "Sales didn't look as good in Oct., but perhaps that's just because Sept. was so good." A 3rd: "Retail sales dropped to a slightly lower rate in latter Oct. and the first part of Nov. That's not unusual—there's almost always a leveling-off period some time in the fall, and some markets are already beginning to notice a pickup."

Some retailers were concerned enough at almost sudden drop-off in sales to call us to find out if preliminary results of our Early Warning Report for Oct. could shed any light on situation. Oct. report, incidentally, failed to show upward trend in retail sales at end of month after 4 months of consistent upturns.

Sales to dealers set all kinds of records, however. The 936,142 sets sold were not only most sold in any Oct., but in any 4-week month in history (final month in each quarter has 5 weeks for EIA's statistical purposes; all the rest have 4 each). Month's final week set record for any 43rd week. Five-week moving average was at all-time high for any period, exceeding 250,000 for first time.

Oct. color sales were at annual rate of 9.43 million, 2nd best (to April's 9.97 million) for this year. For first 10 months, annualized rate was 9.04 million. Inventories declined during month—factory-plus-distributor stocks at month's end were about 2,423,000, down 3.9% from end of Sept.; factory inventories at 1.34 million were down 5.8%; distributor level of 1,083,000 showed 1.5% dip. Compared with year earlier, factory-plus-distributor inventories were up 2.7%, factory up 1.4%, distributor up 4.3%.

At wholesale level, strong sales continued into Nov., first week (ended Nov. 4) color movement totaling about 248,600 sets, up 28.6% from same 1976 week. Here are EIA consumer electronics sales-to-dealer figures for Oct.:

Product	Oct. 1977	Oct. 1976	% change	Oct. 1975
Total TV.....	1,537,741	1,341,110	+14.7	1,145,337
color	936,142	809,255	+15.7	646,981
monochrome	601,599	531,855	+13.1	498,356
Total radio	4,846,248	4,996,904	-3.0	3,253,827
home, portable	3,742,473	3,957,110	-5.4	2,300,993
AM-only	1,139,015	1,565,355	-27.2	596,206
FM & FM-AM	2,603,458	2,391,755	+8.9	1,704,787
auto	1,103,755	1,039,794	+6.2	952,834

SONY REPRICES BETAMAX AT \$1,095: Sony brought list price of Betamax down from \$1,300 to \$1,095, effective Nov. 14, keeping it \$100 above Zenith's new price for identical unit (Vol. 17:45 p6). List-price ratio between Zenith & Sony thus becomes virtually identical to that between RCA & Panasonic, selling same VHS deck.

"Vastly increased production" has lowered costs sufficiently to make reduction possible, Sony said. Officially, Sony is staying above Zenith's price because "we are the ones who innovated—we mean home VTR in the consumer's mind—and our extensive advertising has established the market for Betamax." At new price, margins are maintained "at the same percentage level" as at old price, Sony Vp Joseph Lagore told us. This would appear to indicate that Sony's factory & wholesale prices will be above Zenith's for same product, but with Sony's traditionally liberal promotional discount policy, they presumably could adjust to same level.

By keeping American subsidiary at higher list price, it's not clear whether parent Sony of Japan is trying to tilt more sales to Zenith, which has far more dealers and far more clout in TV market, to help give Beta format extra push. It is clear, however, that in week following Zenith's price cut its VTR received much more retail advertising than during whole introductory period.

Because Zenith's principal competitor is RCA—not Sony—Zenith was in big hole in VTR sales as result of RCA's lower price. As new shipments arrived, warehouse stocks multiplied and retail activity remained minimal, according to reports from field, while RCA was back-ordered on its VHS deck. Sony (& Zenith) had planned to try to hold price line until new single-speed (2-hour) Beta deck, which sells in Japan for just over \$900, is introduced in U.S. market after first of next year. But it's obvious that Zenith was concerned about prospect of being stuck with huge inventories of 2-speed units at \$1,300 at time of changeover to equally good (and more attractive) single-speed deck with built-in electronic timer, designed to compete with RCA unit in \$1,000 list-price area.

Sony gained new ally in Japan, meanwhile, recruiting NEC to Beta format. NEC subsidiary New Nippon Electric announced it would start marketing Sony-built single-speed 2-hour deck in Japan Nov. 21 at 228,000 yen (\$912 at 250 yen=\$1). Perhaps more important to U.S. market is fact that deal results from new NEC-Sony technical pact with major aim of developing low-cost CCD color camera. NEC said it would manufacture & export Beta-format decks as soon as possible.

IMPORT SHARE OF COLOR DOWN IN 3RD QUARTER: What should become standard pattern over 3-year life of Japan's voluntary export-to-U.S. color quota agreement is reflected in 3rd-quarter market totals, which show U.S. factories recaptured sizeable chunk of color business while letting b&w production dwindle near vanishing point. Data are contained in Television Digest's total TV market figures, which represent new supply at both domestic production & import levels as derived from available EIA & Commerce Dept. data.

Domestic factories hiked color output sharply in July-Sept. quarter, at time when Japan's color quota went into effect, resulting in sharply reduced imports of complete sets. Despite import decline, new supply of color sets was 2nd highest ever for both 3rd-quarter & 9-month periods, closely trailing records set in 1973, industry's biggest color year.

U.S. manufacturers apparently expected color import decline, concentrated production

gains in portable-table area to have sets available to fill market gap. Figures indicate U.S. factories boosted portable-table output 88.2% in 3rd quarter to 976,000, while color console production slipped 4.4% to about 646,000. At same time, they chopped back b&w production by 47.4%.

Combination of higher domestic output & lower imports gave lion's share of 3rd-quarter portable-table color market back to U.S. manufacturers, who accounted for 58.6% of new supply in period, up from 35.7% in same 1976 months. Imports provided just 29.8% of over-all color market in quarter, down from 43.9%, but took dominating 88.1% share of b&w, up from 78.4%—for 52.9% share of total TV, down from 59.2%. Change in import position was less dramatic for full 9 months, with total TV market share slipping to 48.3% from 48.8%, color at 28.8% from 32.8%, b&w rising to 78.1% from 70.5%.

Though near-record number of color TVs poured out of U.S. factories, impact of boom on employment was minimized by industry's increasing reliance on imported chassis. Data indicate that 40% of all color sets assembled in U.S. plants in 9 months used complete or nearly complete imported chassis, and in 3rd quarter import chassis utilization jumped to 80.2%, so on combined basis, imported color sets & chassis accounted for 57.9% of new supply in first 9 months, up from 34.2%, with share climbing to 86.2% from 48% in 3rd quarter.

9-MONTH U.S. TOTAL TV SUPPLY

	U.S.* Produced	% change	Imports	% change	Total Supply	% change
Total TV, 1977.	5,851,000	+11.0	5,476,000	+9.1	11,327,000	+10.1
1976.	5,270,000		5,020,000		10,290,000	
color, 1977.	4,869,000	+22.2	1,972,000	+1.5	6,841,000	+15.4
1976.	3,983,000		1,943,000		5,926,000	
mono, 1977.	982,000	-23.7	3,504,000	+13.9	4,486,000	+2.8
1976.	1,287,000		3,077,000		4,364,000	

3RD QUARTER

Total TV, 1977.	1,814,000	+16.6	2,035,000	-10.0	3,849,000	+0.8
1976.	1,557,000		2,260,000		3,817,000	
color, 1977.	1,622,000	+36.1	690,000	-26.0	2,312,000	+8.8
1976.	1,192,000		933,000		2,125,000	
mono, 1977.	192,000	-47.4	1,345,000	+1.4	1,537,000	-9.2
1976.	365,000		1,327,000		1,692,000	

*Includes sets assembled in U.S. from imported kits & substantially completed imported chassis. Imports are complete receivers only.

FCC BARS CB SALES DATE EXTENSION: By 4-2 vote, FCC knocked down proposal that sales date on CBs produced under old specs be extended beyond Jan. 1. Decision immediately raised concern that: (1) Christmas market will be flooded with 23s priced even more sharply than current bargains (as low as \$29). (2) Large quantities of 23s will be unloaded illegally on public after Jan. 1. (3) Combination of both.

"They never understood that the problem was retail and not manufacturer inventories," disgruntled staffer said of Commission vote. Recommendation from Chief Engineer Raymond Spence (Vol. 17:41 p7) favoring extension to Aug. 1, 1978 applied only to units in inventory at retail or distributor level by Jan. 1.

Widespread illegal sales of 23-channel units after Jan. 1 cutoff was described as inevitable by some FCC staffers and suppliers. "Unless inventories are far lower than we think," said major producer, "23s will be sold openly through spring." Possibility of sidestepping rules by selling 23s as "used" was raised by several—"a guy with a warehouse full of 23s can go through

and 'use' them by turning each one on, and maybe putting a little scratch on the side," one said.

Marketing rules as currently written do exclude used CBs, Spence acknowledged, and he said rule clarification to be submitted to Commission in near future will carry same disclaimer. But he said FCC interprets used CB as one "owned by the end user, the consumer." Sale of CB not owned by consumer would probably be judged illegal, he said.

Issue is virtually academic, however, since FCC itself admits it can't effectively police post-Jan. 1 sales. At this point—without congressional approval of fine-&-forfeiture authority—FCC's enforcement options are limited to requests of U. S. Attorney's office that violators be prosecuted. "The response will be, 'Who did he kill?'" staffer complained. "When we say it's for illegal sale of 23-channel CBs, they'll probably ask us to come back next year when they're not so busy."

Whatever happens next year, industry executives forecast bargain-priced dumps during Christmas—a few speculating that \$9.95 price point might be reached. As ITC hearings on injury complaint (Vol. 17:45 pp 6 & 10) pointed up, however, nobody has firm grasp on current inventories of either 23- or 40-channel units. Dynascan Pres. Carl Korn told ITC he believes inventories by end of Sept. stood at 3.4 million, not 11.5 million total quoted by E. F. Johnson (See p11).

VTR SURVEY: Of 253 dealers questioned in Merchandising Magazine Survey, 93% carry or intend to carry home VTR by next year. Other findings: 84% expect to handle cameras; 95% blank tape; 63% prerecorded tape; 42% of VTR dealers quoted 30% margin on tape sales, 33% put margin at 25%; 52% put margin on decks at 20-25%, 23% put figure at 10-20%. Of total, 37% sell Sony, 29% RCA, 23% Zenith, 6% JVC, 8% all others. Retail poll was conducted in Oct., results appearing in Nov. issue.

Earlier (summer) survey covering nearly 1,000 consumers found 67% familiar with VTR, 50% considering VTR purchase. Reasons for purchase plans: Recording programs while away from home, 35%; recording one program while watching another, 20%; recording program being watched, 18%; making own videotapes, 21%; playing prerecorded tapes, 6%. On pricing: 41% expected to pay \$1,000-\$1,500; 31% \$750-\$1,000; 21% \$1,500-\$2,000.

In separate retail survey conducted by Sharp, 92% of mass merchants & department stores questioned said VTR was being sold in TV department since most felt TV buyer had established strong relationship with VTR producers. Survey also reported strong interest by audio dealers in home VTR systems.

FCC labs finally got Bally programmable game. If it passes rigorous tests, approval should come some time late next week, staffer said. Labs have received 3 other programmables, he said, one of which is "more sophisticated" than Bally's, with interface box for acoustical coupler, other peripheral connections...Mirco filed \$6-million suit against Fairchild in Cal. federal court charging failure to produce video game under 1976 agreement (Vol. 16:4 p11, 16:8 p9). Suit contends Fairchild conspired to make game for Alpex Computer Corp., instead, prevented Mirco from supplying games under contract to Montgomery Ward.

Discount price on Sampo 13" color set should have been \$260, not \$216 as we reported in story on Taiwan production plans (Vol. 17:43 p9).

VHS cassette duplication system and industrial VHS units were introduced last week by Panasonic at its Video Systems national sales meeting in Miami. Scheduled for early-1978 delivery, duplicator can produce up to 20 copies from one master deck. Panasonic also announced establishment of 4 "authorized duplication centers"—Magnetic Video Corp., Farmingdale, Mich., now in operation; Bell & Howell, Evanston, Ill., and Video Software Production, Yonkers, N.Y., to start by end of month, and L.A. center, to be identified soon. Both VHS industrial models, Omnivision II, have 2-hour speed only—unit with tuner & timer at \$1,145, playback-only at \$895. One-vidicon color camera with zoom lens & microphone is \$3,000; b&w camera with microphone is \$320.

Sony is back in Zenith's antitrust suit against Japanese consumer electronics manufacturers—this time on side of Zenith. The 2 companies are arguing against discovery motion by defendants in Philadelphia Dist. Court case seeking reasons & terms behind Zenith's decision to drop complaints against Sony last May (Vol. 17:18 p8). Sony is still defendant in similar action brought by National Union Electric and now combined with Zenith case. When court will rule on this and other pending motions went even further up in air last week when Judge Leon Higginbotham moved up to U.S. Appeals Court. There's no indication yet which motions he'll decide himself and which he'll leave for incoming judge, expected to be Edward Becker.

Trial date for Universal-Disney copyright suit against Sony over use of Betamax VTR has been postponed to May 2 from Jan. 10 by L.A. U.S. Dist. Judge Warren Ferguson at request of producers, whose lawyers said they needed more time to take depositions, possibly amend complaint. Pilot videotape copyright suit in educational field is pending in Buffalo federal court against Erie County (N.Y.) Board of Cooperative Educational Services (BOCES) by Time-Life Films, Encyclopaedia Britannica & Learning Corp. of America.

KLUCKMAN ZENITH PRES.: Top-level changes at Zenith—election of Revone Kluckman as pres. and ex-Chmn. Joseph Wright as chmn. of new exec. committee—inevitably have been interpreted in press as rebuke to Chmn. John Nevin. They seem, however, to have as principal aim more sharing of topside duties & responsibilities and lifting of some of load from Nevin's shoulders.

Not generally reported is fact that Nevin entered hospital Nov. 5 for tests. After week there, only word from Zenith was that his condition was "good." Under new set-up, Chmn. Nevin retains title of chief exec. officer, relinquishing duties of pres. & chief operating officer to Kluckman. Kluckman's elevation comes as no surprise, presumably has been in works for some time, although timing may have been changed as result of recent Zenith difficulties.

Kluckman, 48, is former partner in Arthur Anderson & Co. accounting firm, joined Zenith as controller in June 1967, was elected vp in 1968, senior vp, mfg. & material in 1971, joined board in 1975. He is substantially involved in current transfer of subassembly production overseas.

Joseph Wright retired as chmn. in April 1976, continued as consultant, was pres. from 1959 until Nevin's election in 1971. He was chief strategist in Zenith's war against inroads of imports. He told us last week new exec. committee would consist of most of the 8 outside directors. "This is a mechanism so some of the directors can meet more frequently than every 3 months, which has been our pattern. It will handle matters which might require faster attention. I'm not over there [at Zenith hq] looking over people's shoulders and I'm not going to do that in the future." He said he would be taking on no new major responsibilities. Would he resume his onetime role as Zenith spokesman on trade policy? "I really don't know—I expect John will be back shortly."

Admiral loss was cut somewhat in fiscal 4th quarter to Sept. 30 because of improved efficiency stemming from consolidation of production facilities as well as reduced foreign exchange losses, Robert Anderson, pres. of parent Rockwell said. He added that Rockwell doesn't intend to sell Admiral, expects lower loss next year... **Morse** returned to profitability in fiscal 2nd quarter to Sept. 30, showing profit to just over \$1 million, showed loss for fiscal half. Last previous profitable period was 2nd quarter 1974.

Broadcasters are ignoring home videocassette recorder, which can introduce "dramatic new dimension to TV" and significantly increase its audience, telecasting veteran Hugh Beville Jr., exec. dir. of Bcst. Rating Council, said in major address prepared for Nov. 14 delivery. For details, see p. 5.

Sharp expects to raise export pricing by about 4% early next year to offset effect of rising yen value. It will be company's 3rd such boost since start of 1977... **BSR** plans 8% average boost on U.S. record changer prices Jan. 1, blames rising costs, increased value of British pound. BSR last raised prices in Jan. 1976.

Sanyo is adding 70,000-sq.-ft. building to Compton, Cal. complex. Set for completion in May, it will house parts & service.

RCA V-DISC PROGRESS: "We've easily surpassed our goal" of player which could be retailed at \$400 in mass production, said RCA Videodisc Operations Staff Vp Richard Sonnenfeldt last week as he displayed mockup of new player configuration no larger than audio record player and revealed new features to be incorporated in any commercial version.

Design for changer using ICs which have been developed but aren't slated for production has reduced parts count more than 3.5 to 1 over former design, according to Sonnenfeldt, and made possible changer less than half the size. New changer measures about 16.25" wide, 15.5" deep, 5.25" high vs. former unit's 26" x 16.5" x 6". Weight is 30 lb. vs. more than 40. New changer uses same disc-in-slot principle as one we reported in Aug., therefore requires no lift lid on top (Vol. 17:32 p12). Sonnenfeldt said it would take about 18 months to get custom ICs into production, but some preliminary work would be done before any decision is made on whether to market disc in order to shorten lead time.

Among other new player features is "live scan"—meaning entire disc may be searched at any speed by means of knob while synchronized picture appears on screen. Second new feature will be automatic repeat, in which selected picture-&-sound segment of few seconds may be run over & over.

Meanwhile, it's learned that RCA has succeeded in playing back uncoated capacitance-type disc with mechanical pressure stylus with satisfactory results. It's understood that Matsushita-developed videodisc system is similar to RCA's, but uses pressure stylus (Vol. 17:21 p7).

CB AT ITC (CONT.): E. F. Johnson inventory estimates (Vol. 17:45 pp. 6 & 10) are wildly inflated, Dynascan Pres. Carl Korn insisted during ITC hearings on domestic-injury complaint, with total at end of Sept. closer to 3.4 million than 11.5 million claimed by Johnson. Korn gave following account of inventory picture, beginning in Jan., 1976:

Industry entered year with 1.5-million inventory, added 13.8 million imports and nearly 1 million U.S.-produced units during year, bringing total to 16.3 million. Using ratio of 2.2 unit sales to each FCC license (5.14 million), retail sales during year were 11.3 million, leaving 5 million carryover into 1977. During first 9 months, supply was 7.4 million (6.7 million imports, 658,000 U.S.-produced), bringing total with inventory carryover to 12.4 million. Using same sales-to-licenses ratio, sales in 1977's first 9 months were 8.97 million, leaving combined 23- & 40-channel inventories of 3.4 million.

Hassle over inventory levels—and importance to final Commission decision—prompted ITC staff to undertake own survey, which will be included in final staff report to Commissioners by Dec. 23 deadline. Oral presentation of report summary will be made by staff in public hearing tentatively scheduled for Jan. 12. ITC recommendation to President must be made by Feb. 2, but decision could come any time after Jan. 12 meeting. President has 60 days to accept recommendation or explain reasons for rejecting it. If rejected, Congress has 90 days to overrule him.

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with

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Trade Personals

Jesse Lien, former Sylvania Electronic Systems senior vp, named pres. of GTE Labs and engineering vp for GTE Products Group; latter is new post; former Labs pres. **Lee Davenport** assigned to GTE corp. staff as vp-chief scientist... **Eugene Holloway**, ex-Covington & Burling, joins Sylvania Entertainment Products as senior counsel, succeeding **Edward Goldstein**, now GTE Consumer Electronics Products gen. counsel... **Matthew Garvey**, former Far East Area senior vp, appointed GTE Products Group human resources vp, succeeding **Bruce Carswell**, now GTE human resources admin. vp.

William Byron promoted at Sanyo (U.S.) Electronic Div. from vp to senior vp, mktg. & sales... **Charles Quinn**, RCA Consumer Electronics materials dir., named vp... **Cliff Shearer**, ex-Benjamin Electronics, named JVC America ad & sales promotion mgr.; **Harold Schiffman**, ex-ADC, appointed national sales administrator; **Benjamin Loughrin** appointed sales promoter; **Edward Spalding** named SW region mgr... **Edward Telling** advanced at Sears from senior exec. vp-field to chmn., effective Feb. 1, succeeding **Arthur Wood**, retiring but continuing on board.

Robert Cecil, ex-IBM, joins Motorola as mktg. vp; **Lawrence Jones**, Motorola Auto Products Div. vp, promoted from entertainment products operations dir. to mktg. dir., succeeding **John Mueller**, resigned; **William Millon** appointed CB radio & entertainment products operations dir.; **C. J. (Red) Gentry**, former aftermarket sales dir., appointed international aftermarket planning dir... **Arde Burk** resigns as Seiko sales vp to become Ronson mktg. vp.

Harry Murray advanced at Westinghouse from Public Systems Co. strategic planning dir. to Components Div. gen. mgr., succeeding **Paul Lego**, now

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Acton			
1977-9 mo. to Sept. 30 ^b	32,615,000	3,061,000 ^a	1.13
1976-9 mo. to Sept. 30 ^b	10,587,000	1,093,000 ^a	.41
1977-qtr. to Sept. 30 ^b	10,775,000	850,000 ^a	.33
1976-qtr. to Sept. 30 ^b	6,242,000	819,000 ^a	.31
Columbia Pictures Industries			
1977-14 wk. to Oct. 1	116,797,000	10,935,000 ^a	1.19
1976-13 wk. to Sept. 25	89,763,000	18,486,000 ^a	2.24
Foote, Cone & Belding Communications			
1977-9 mo. to Sept. 30	58,114,000	4,363,000	1.81
1976-9 mo. to Sept. 30	47,547,000	3,387,000	1.44
1977-qtr. to Sept. 30	19,988,000	1,156,000	.47
1976-qtr. to Sept. 30	16,007,000	1,088,000	.46
ITT			
1977-9 mo. to Sept. 30 ^b	9,294,197,000	459,106,000 ^a	3.39
1976-9 mo. to Sept. 30 ^b	8,316,290,000	424,781,000 ^a	3.31
1977-qtr. to Sept. 30 ^b	3,091,980,000	150,308,000	1.09
1976-qtr. to Sept. 30 ^b	2,684,425,000	107,197,000	.83
MCA			
1977-9 mo. to Sept. 30	608,248,000	62,859,000	3.39
1976-9 mo. to Sept. 30	574,509,000	69,123,000	3.73
1977-qtr. to Sept. 30	225,456,000	27,672,000	1.49
1976-qtr. to Sept. 30	202,216,000	24,870,000	1.34
Rockwell International			
1977-year to Sept. 30 ^b	5,858,700,000	144,100,000	4.18
1976-year to Sept. 30 ^b	5,195,000,000	122,200,000	3.59
1977-qtr. to Sept. 30 ^b	1,591,800,000	41,600,000	1.21
1976-qtr. to Sept. 30 ^b	1,388,600,000	36,000,000	1.07
Seaport			
1977-9 mo. to Sept. 30	14,739,000	387,000 ^a	.14
1976-9 mo. to Sept. 30	13,973,000	353,000 ^a	.13
1977-qtr. to Sept. 30	5,231,000	146,000 ^a	.05
1976-qtr. to Sept. 30	4,747,000	137,000 ^a	.05
Walt Disney Productions			
1977-year to Sept. 30	629,825,000	81,947,000	2.57
1976-year to Sept. 30	583,896,000	74,599,000	2.34
1977-qtr. to Sept. 30	205,197,000	31,978,000	1.00
1976-qtr. to Sept. 30	179,987,000	26,536,000	.84

Notes: ^aIncludes special credit. ^bRestated. ^cAdjusted.

Lamp Div. gen. mgr... **Dedy Sabin** resigns as Solid State Scientific mktg. dir. to join Motorola Semiconductor as European distribution dir... **Harold Mahar** promoted at Sprague Discrete Semiconductor Products Dept. from systems & planning mgr. to gen. mgr., succeeding **Steven Tritman**, resigned... **Don Heath**, Kyocera International (U.S.) vp, named dir. for all San Diego manufacturing operations, assuming some duties of **Kasey Hasegawa**, former semiconductor mfg. vp, reassigned as corp. materials administration dir. with responsibility for purchasing & inventory.

Tadao Okada promoted at Maxell America from exec. vp to pres., new post; **Ted Ozawa**, former national mktg. mgr., named special products mktg. & sales vp; **Gene LaBrie** appointed audio/video products mktg. & sales vp, retains duties as national sales mgr.; **Tom Wada** named treas... **J. Frank Leach**, Arcata National pres., named to Amplex board... **Hank Collins** promoted at UL to govt. affairs vp.

WEEKLY

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with
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The authoritative service for broadcasting, consumer electronics & allied fields

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PIERCE POINTS WITH PRIDE: ABC-TV pres. outlines profit prospects, discusses Winter Olympics, feature films, costs, football, affiliate switching, Silverman's future. (P. 4)

CBS & NBC TV AFFILIATES BOARDS greet 'new teams,' hail plans. Paley defends mass-audience direction but says all seek to elevate tastes, appeal to minorities. (P. 5)

Consumer Electronics

HOME VTR PLANS: GE will add 4-hour VHS. Mont-

Tvb—ALL SIGNS ARE UPBEAT: It was a well-satisfied group of broadcast executives who gathered in San Francisco last week for Tvb's 23rd convention. Hardly a person could be found who didn't say business is "excellent." Stress was placed on getting even more dollars from burgeoning—for TV—retail advertisers, as several retail executives related TV success stories.

While 1977 TV revenues won't approach 1976's record jump of 28%—more than double all predictions—few in business are complaining. After reviewing predictions for 1977 by security analysts, out-going Chmn. Walter Bartlett gave Tvb's forecast: Spot up 4%, local up 13%, network up 6%, for total 7% increase. For 1978, Bartlett said Tvb predicts revenues will increase 10%.

Discordant notes were struck by telecasters unhappy with rating services and by attack on "encroachments" of networks by SRA Pres. Adam Young. Tvb Pres. Roger Rice said members gave "a resounding yes" when asked if broadcasters should design, own & control new rating system. As result, Tvb board authorized feasibility study of project by outside firm. Overseeing study will be Norman Walt (chmn.), McGraw Hill; Stanley Mouse, Cox Bctg.; Al Masini, TeleRep; John Dimling, NAB; Harvey Spiegel, Tvb.

"Network encroachment [on TV station time] is a cancer... You do everything possible to

keep it from spreading," according to Young. In addition to expansion of network programming, he cited growth of regional advertising on networks (up 60% from 1976), threat of news expansion (which, he said, would cost stations \$225-\$250 million annually in ad revenues), threatened move to 15-sec. spot as standard and possibility of more network spots in prime time.

Increased network profits "come right out of your hide," and agencies aren't your allies, Young told stations. "You must be vigilant." He appealed to network affiliates' boards to help put "clamps" on expansion of non-program time, and to "fight to the death" any attempt to shorten spots. He also expressed hope that TV Code would become "a meaningful document."

Pres. James Williams of National Retail Merchants Assn. told TvBers how to get more of "the retail advertising pie." He urged stations to give retailers local rates, help in production and talent fees, hire ex-retailers for staffs and "mingle with retailers away from their stores" to learn their problems. "TV has not directed enough attention our way," he said. Responded station exec.: "All he wants is for us to cut our rates and to provide free production."

Treasurer Arthur Watson reported TvB will finish year in good financial shape with \$30,000-\$40,000 surplus on revenues of \$2.7 million. Board increased 1978 budget to \$3 million. Rice saw as a desirable trend "the better use of our own air to promote our own medium." He noted networks cooperated for first time this year to send TvB's highly-successful sales presentation to affiliates, predicted expansion of such cooperation in 1978.

At closing session, Rice explained reasons for TvB's existance: "It is our job to stand up for TV's rights...to tell TV's story to the right people in the right places with the right information delivered in the right way." Total attendance was 492 (25% higher than ever before), including 380 members.

BACKE BACKS BIGNESS: Defense of large communications companies was theme of maiden speech of John Backe as CBS pres. Speaking at IRTS, he stated: "I have the strong feeling that... I probably won't win over those who yell that the sky is falling every time some communications company merges with another. And I think that is because what so many so-called media critics—both in & out of government—really want is not diversity. What a lot of them really want is to remove a thorn from their sides—a strong, independent and outspoken communications industry. And they are trying to do it with economic pressure, because they know political pressure won't work.

"They know that only big communications companies with extensive resources can properly report on, and investigate, and stand up to the powers of big government, big business and big labor...[Public interest] cannot be served if communications is relegated to cottage-industry status in an age of industrial giants."

NAEB—FUNDING, SATELLITES: NAEB convention in Washington last week was distinguished by 2 main features: (1) First formal opposition to portions of Administration's public broadcasting bill. (2) Conflicting recommendations on management of public TV satellite system, due to start in early 1979.

NAEB board voted resolution opposing "set asides" of any specific portion of funds for any type of program; Carter bill would require 25% for national programs. Board also said there should be statutory floor on funds for "community services grants" (CSGs) that are disbursed without restrictions to stations by CPB; current law imposes 17% floor for this. Proposed law contains no mention of floor. NAEB also opposed transferring from HEW to CPB jurisdiction of funds for facilities.

Age-old tension between station operators and Washington-based organizations CPB & PBS was epitomized by prolonged applause greeting statement of Frederick Breitenfeld Jr., Md. Center for Public Bcstg.: "The destiny of our enterprise must be guarded by the stations... Public TV is not a single network, but a collection of local stations." Breitenfeld also complained about underwriters, saying they promote shows as if they own them. Another perpetual concern was voiced by Frank Barreca, KUAT-TV Tucson, about tendency to ape commercial networks: "Too often, we give lip service to the idea of an alternative broadcast service."

NAEB board did resolve in favor—not surprisingly—of Carter's proposal to increase funding

to \$200 million yearly for 5 years and to endorse continuation of congressional advance authorization for 5 years. (Current federal funding runs \$107.2 million.)

On satellite front, PBS-commissioned study recommended that PBS administer entire system through special committee comprising 2 PBS board members, 5 representatives of regional networks, 4 others elected by first 7. Another study, sponsored by regional networks, suggested that PBS administer all programming on satellites but that independent "access management council" control non-national-programming policies, schedules & conflicts. Others urged even more "independent" control. For example, Michael Collins, WNED-TV Buffalo, asked: "How can PBS manage access [to satellites] when it is a prime user?" At week's end, PBS board appointed special committee to work out satellite-access methodology, report to next board meeting Feb. 3 in New Orleans. Chmn. of committee is Stanley Evans, U. of Me.

Among other developments: (1) Distinguished Service Awards were presented to PBS Vice Chmn. Hartford Gunn and Richard Hull, retired dir., Ohio State U. Communications Center. (2) PBS programs were rated "rather satisfactory" by bulk of stations queried in PBS study. According to returns from 40 stations, this is because of insufficient fresh material, bland public affairs, patchwork scheduling and short series failing to develop lasting audiences. (3) Abolition of on-air fund raising was urged by Leonard Press, Ky. ETV, who said sums have "peaked" and audience "backlash" is growing. He said federal govt. should provide more funds to be used for off-air money raising.

Unauthorized satellite receiving stations, similar to old-time illegal translators, are anticipated by Community Antenna TV Assn. Its Sept.-Oct. newsletter states: "Our sense of history is that we are headed for the same type of confrontation [as with illegal translators in West]. We see it starting in 1978, and building from there. And we see the FCC in a very difficult position...with church groups clamoring for terminals for reception from CBN & PTL, country clubs & bars wanting the Madison Sq. Garden events and other sports...and ranchers in Mont. & Ida. (etc.) who still don't have TV willing to spend money to get first class reception of any kind. In other words, based upon the very large number of people contacting CATA & CATJ, there is every evidence that people with money and therefore probably influence in high places will discover 'home terminals' in the coming 12 to 24 months..."

Teleprompter net income before extraordinary credit for quarter ended Sept. 30 was \$2,312,000, vs. \$799,000 for same 1976 period. For 9 months, figure was \$5,204,000 vs. loss of \$1,501,000 preceding year. For 3 months, revenues were down to \$31,150,000 from \$32,709,000 preceding year, while 9-month revenues rose to \$87,397,000 from \$82,735,000. Operating income for 3 months was \$12,765,000 vs. \$11,-512,000; for 9 months, it was \$35,779,000 vs. \$28,-642,000. For quarter, cable system revenues (excluding L.A. & Manhattan) rose 7% to \$24,994,000 and operating income increased 24% to \$10,921,000. Pres. Russell Karp said Filmation Div. is having "excellent" year and Muzak is "consistently profitable."

One-day hearing on impact of ratings on viability of minority-owned stations has been postponed to Dec. 13 by House Communications Subcommittee. Session will feature panels on rating & ad practices. Senate Communications Subcommittee is doing preliminary work toward possible ratings hearing; source said decision will be made within month but "we don't want to duplicate what the House is doing."

MBS radio network says it will go satellite-signing 7-year contract with Western Union while its affiliates build their own 10-ft. dishes. According to Dick Doty, dir. of MBS network communications, 500 stations are expected to build dishes, feeding 790 regular MBS affiliates and 90 Mutual Black Network affiliates. He expects stations to start first on West Coast, work eastward, doesn't anticipate delays, saying: "The affiliates are very enthusiastic about it. Negotiations with stations haven't started yet. You have to go one step at a time." Start is expected some time next year. There's no target for completion. "You have to feel your way," said Doty. Plan is to offer 3 simultaneous feeds at first, 6 later, providing 15-kHz bandwidth. Program is described as "\$10 million project." Doty said he didn't know technical reason for using 10-ft. dish for radio-only service.

Supreme Court coverage by TV-radio is urged by CBS News Pres. Richard Salant. Writing in Nov. 16 N.Y. Times, he said such coverage doesn't offer problems presented by coverage of some lower courts (impact on jury & witnesses, less sophisticated counsel, etc.). He noted that audio recordings are now made for benefit of justices, so no new audio gear is necessary, said inobtrusive cameras could handle TV. In Nov. 18 Washington Post, Morton Mintz reported that U.S. Dist. Court Judge Jack Weinstein (N.Y.) and American Bar Assn. Pres. William Spann urge TV-radio coverage of Supreme Court and appellate courts, particularly in major cases such as Bakke medical-school appeal.

Regional program service to southwest pay-TV & pay-cable operators via RCA satellite has been announced. Named "Fanfare," service will include college sports, Houston Rockets & Astros, major movies. It's joint production of Hollywood Home Theatre (owned by 20th Century-Fox & United Artists), Kenneth Schnitzer (Rockets stockholder & chmn. of Houston Summit sports arena), MCI Productions (TV & commercial production), Pace Management (sports promotion).

PIERCE POINTS WITH PRIDE: ABC-TV's progress was outlined in pleasant detail last week by TV Pres. Frederick Pierce, addressing N.Y. security analysts. Among his points:

(1) Expects to break even in early morning programs next year. (2) Prime time is 80% sold out during first 9 months of 1978, despite substantially higher prices. (3) Revenues of 3 networks should be up 20% this year, spot up 5%, local up 12%—while ABC is up more than 30% for 4th quarter. (4) For 1978, networks should be up 13-16%, spot 5-7%, local 10-12%.

(5) During 1979-83, network TV will continue to outperform general economy. (6) Series costs increase 10-12% yearly, but "biggest cost in network TV is the cost of failure." (7) Over-all program costs were up about 20% this year, will rise about same next year, increase 10-15% in 1979. 'Even with reduced economic growth, we'll meet our projections in 1979. We have several cost-cutting methods open to us."

(8) 1980 Winter Olympics already are "sold out with profit" at \$135,000 per min. vs. \$68,000 for 1976 Winter Olympics. 'We'll make as much profit on the Olympics as we would on the prime time it's preempting.' (9) ABC has 5-7-year feature film inventory, has bought "Sting" for multi-run. (10) Profits on Mon. football will decline because of costs. Price of min. will rise to \$170,000 next year from current \$125,000.

(11) "The next 8-10 months will see 6-8 more affiliates switching" to ABC, including more VHFs. ABC's 195 primary affiliates cover 98.3% of TV homes, CBS's 205 & NBC's 215 cover 99%. (12) Future of Fred Silverman, whose contract expires end of year; "He must decide. He has several options open. I'm confident he'll stay."

Broadcasters Promotion Assn. names as pres.-elect Terry Simpson, WTTV Indianapolis; vp, Tom Dawson, CBS; secy., Gail Morrell, CFCF-TV Montreal; treas., Richard Hendry, Mid-Continent Bcstg., Pittsburg, Kan. New dirs.: Jack Shaunessy, CFPL-TV London, Ont.; Ann Coleman, KOCO-TV Oklahoma City; Lee Pocock, KSL Salt Lake City; Ray McCarty, KRNT Des Moines. Roger Ottenbach, WEEK-TV Peoria, becomes pres. Jan. 1.

To protect stations from "costly & burdensome new technical requirements," NAB asked FCC not to change FM antenna rules as proposed. Particularly onerous to NAB is proposed requirement that FMs will be declared directional if their radiation patterns don't meet perfect circuitry within 4 dB—"a very difficult standard to meet."

Nominated by President for Board for International Bcstg.: Rita Hauser, N.Y. lawyer; Frank Markoe Jr., vice chmn., Warner-Lambert. Following confirmation by Senate, they'll succeed John Roche and Foy Kohler. BIB oversees Radio Free Europe & Radio Liberty.

Concern over CATV was focus of NAB Hundred-Plus TV Committee in 45-min. meeting with FCC Chmn. Ferris Nov. 17. NAB Chmn. Donald Thurston has first session with new FCC chairman Nov. 21.

Justice Dept., in motion to be filed Dec. 5, will ask L.A. Federal Judge Robert Kelleher to consolidate antitrust cases against CBS & ABC. JD will suggest that parties start taking depositions Feb. 13, complete them by May 12, and that trial start Oct. 16. In separate filing, JD told Kelleher that FCC dismissal of pay-cable exclusivity inquiry (Vol. 17:39 p4) shouldn't have any impact on Court's approval of pending consent agreement with NBC. Original payable section had been deleted from consent agreement, but JD pointed out govt. & private parties will still be able to seek "appropriate relief" from NBC "after due consideration of the impact of the FCC's abandonment of its rules." Govt. added: "While ABC's & CBS's insistence on exclusivity beyond that encompassed in the FCC rules is evidence of their use of economic leverage to foreclose competition from the fledgling pay-cable industry, and such evidence is proof of their violation of the antitrust laws, the structuring of relief directed at the networks... is premature."

Newsman's thought processes are off-limits to lawyers in libel case, N.Y. federal appeals court decided in 2-1 ruling. Case involved suit by retired Army Lt. Col. Anthony Herbert against CBS, Mike Wallace and Barry Lando; last is producer of "60 Minutes" that did 1973 show on Herbert's book charging war crimes in Vietnam. Lando declined to respond to interrogations about his beliefs, opinions, intent and conclusions in preparing program, even though ordered by federal district judge. Praising decision, RTNDA Pres. Ernie Schultz said: "Reporters will continue to be responsible for what they print and broadcast... but will not be compelled to recount in court how they went about deciding how to put together the story."

Idea to make UHF superior to VHF, following hoped-for technical parity in next few years, was suggested by Philip Rubin, CPB dir.-engineering-research & development, at NAEB engineering session last week: Have FCC authorize use of vertical interval for news service, but only for UHF. Thus, viewer with storage-type decoder could, he said, not only see regular programming, but could switch to written news items, help wanted ads, meeting schedules, etc., similar to experimental service provided in Britain by "Teletext," "CEEFAFAX" & "ORACLE" (see p. 5).

Federal Election Commission on Dec. 1 takes up proposed exemption from definition of contribution to political candidate the sponsorship of public debate by non-profit organizations. Groups must be exempt from federal taxation, mustn't support candidates. Genesis of rule was sponsorship of Ford-Carter TV-radio debates in 1976 by League of Women Voters.

HBO will process earth station applications for system operators at \$1,500 each—including frequency coordination by Compucon, and "after legal review, the application will be shepherded through the FCC's Common Carrier Bureau."

KTVZ (Ch. 12) Bend, Ore. went on air Nov. 6 as nation's 978th TV station (714 commercial, 264 non-commercial). KTVZ is owned by KTVL Medford; John Larkin is gen. mgr.; Robert Striplin sales mgr.; rep is H-R.

TV AFFILIATES & 'NEW TEAMS': Similar sounds emerged from NBC & CBS TV affiliate board meetings last week—NBC's from Maui, Hawaii, CBS's from Ocean Reef, Fla.—"new teams now in place," "promising schedules."

Ancil Payne, KING-TV Seattle, head of NBC-TV affiliates, told us: "We're really impressed with the new team. We're delighted that they're giving attention to demographic problems. We're completely supportive of Herb's [Schlosser's] team. We're genuinely pleased with the prime-time news hour next season. They've taken our challenge on it, and it's a real breakthrough."

CBS meeting featured rare appearance by Chmn. William Paley, accompanied by Pres. John Backe. Said Paley: "There is an absolute necessity to give most of the people in this country what they want most of the time. Our machinery is built in order to create that service..."

"At the same time, most of us who have grown up in this business have a conscience & aspirations... There's hardly any broadcaster I've ever talked to... who in spite of his success & in spite of his prosperity if he has it, and most of them do, who isn't conscious of the responsibility that runs deep in being able not only to try to elevate the mass audience to the largest extent possible, but also try to provide special services of one kind or another to the so-called minority groups."

FCC "exceeded its authority" in imposing limits on newspaper-station cross-ownership in same market, NAB told Supreme Court last week. High court will review Appeals Court ruling that not only was forced divestiture required in "egregious" cases, but that FCC didn't go far enough and should have considered other newspaper-broadcast combines on case-by-case basis (Vol. 17:10 p1). NAB argued Commission order represents "an unprecedented Commission attempt to regulate all forms of mass communications including...the print media."

FM listening is up 6% in April-May this year over same period last year in 10 selected markets, according to Arbitron. Average FM market share went from 33.9% in 1975 to 37.5% last year, is now at 39.8%. In 3 markets, FM shares surpassed AM: Detroit, Oklahoma City, Norfolk. Highest FM share was Oklahoma City, with 51.4%. Other cities analyzed: Kansas City, Minneapolis-St. Paul, Orlando, Davenport, Rock Island-Moline (Ill.), Raleigh-Durham, San Antonio, San Francisco.

Madison Sq. Garden sports events, distributed to cable systems by UA-Columbia via satellite, are now available to 850,000 subscribers, will be offered to 1 million by mid-season, according to UA. Latest to join are ATC, starting with Monroe, La., Jackson, Miss., Orlando, Fla. & San Diego, and TCI, initially with Knoxville & Minot, N.D.

Earth station grants for cable: Valdosta, Ga.; Leesville, La.; Sault Ste. Marie, Mich.; Brainerd, Minn.; Brookings, Ore.; Sumter, S.C. Applications: Biloxi, Miss.; Carthage, Mo.; Amsterdam, N.Y.; Nelsonville, O.; Cornplanter, Pa. (For details, see CATV Addenda.)

Need for more money and for some method of speeding program decisions in public broadcasting were principal themes of dozen witnesses testifying before Carnegie Commission on Future of Public Bcstg. in N. Y. Joan Cooney, Children's TV Workshop, noted "massively insufficient total level of funds" for quality programs, let alone cushion to permit taking of risks on off-beat programs. She also objected to "step" procedure in funding (money doled first for script, then pilot, then production). Other comments: Robert MacNeil of "MacNeil/Lehrer Report" said he was unabashed "4th net-worker"; Bob Kolowitz & Michael Rice, WNET N.Y., endorsed block concept of grants from CPB as recommended in President's legislative proposals; Michael Ambrosino (Nova), disagreed. Next meeting: Dec. 18-19, Chicago.

UHF translator for Springfield, Mass. was granted to Margaret Downey over objections of local cable systems which assert she's "front" for local WWLP. Systems claimed "real motive" behind application was WWLP's intent to claim carriage & non-duplication rights for translator. Translator is intended to carry WRLP Greenfield, owned by WWLP, which rebroadcasts most of WWLP programs. FCC noted that WWLP was furnishing funds and presumably would operate translator for Downey, said it sees no need for carriage of translator on local cable systems—and it limited translator rebroadcasts only to sports transmitted by WRLP. WWLP said translator will be built within 2 months.

NAB filed opposition to proposed rulemaking by CAB that would deny airlines right to include institutional advertising as operating expense. NAB said move would penalize legitimate business outlay, violate First Amendment, and that it's virtually impossible to distinguish institutional and other advertising. NAB noted FCC recently ruled that common carrier institutional advertising is impossible to segregate from other kinds.

Complaint by nuclear industry that NBC-TV documentary "Danger! Radioactive Waste" resorted to "emotionalism, show-biz gimmicks and heavy-handed editing" and was unfair was dismissed by National News Council. However, Council found program "seriously flawed" in 2 instances—showing sick cattle & 2 terminally ill children without evidence linking them to nuclear waste.

TV programming is not matter for courts, Tex. judge ruled last week in dismissing suit seeking to prohibit telecast of ABC's "Soap." San Antonio Minister Ed Human had maintained program is "damaging to parent-child relationship," should be banned. Human said he'll seek nationwide boycott of program and its advertisers.

First large-scale use of Teletext in Britain is at Portman Hotel. System developed by BBC & ITV permits some 500 "pages" of information to be called up via push-button at receiver. BBC calls its system CEEFAX; ITV terms it ORACLE. British Post Office will test similar system in 1978, calls it Viewdata.

ABC increases quarterly dividend to 35¢ from 25¢.

Personals

Marvin Shapiro, Group W, elected Tvb chmn., succeeding **Walter Bartlett**, Multimedia; newly-elected to board: **William Wuerch**, WJRT-TV Flint; **John Conomikes**, WTAE-TV Pittsburgh; **Len Girraputo**, Post-Newsweek Stations; **Gerard Mulderrig**, WPIX N.Y.

Bcst. Group Pres. Gene Jankowski elected to CBS board, succeeding **John Schneider**; **Donald March**, who came to CBS in May, named vp, motion pictures for TV... **Thomas Westrate** appointed ABC dir., human resources development, personnel dept... **Lenore Cantor** advanced to NBC program research dir., West Coast... **Judith Martin**, ex-TWA, named asst. to ABC personnel vp... **Betty Hudson**, WSB-TV Atlanta, elected chmn., NBC-TV Affiliates Promotion Mgrs. Committee.

Richard Steenberg advanced to vp-special program sales, CBS-TV... **Jeff Gralnick** promoted to dir.-exec. producer, ABC News Special Events (new unit); **Robert Sigenthaler** named dir. of planning... **H. D. (Bud) Neuwirth**, ex-Mutual, appointed eastern TV sales mgr., Arbitron.

Charles McAbee, KCMO-TV Kansas City, replaces **Charles Brakefield**, WREG-TV Memphis, as CBS-TV Affiliates' Board chmn.; **Robert Schmidt**, KAYS-TV Hays, Kan., named secy.

Calvin Collier, FTC member, former chmn., resigns as of Jan. 1, citing personal reasons; **Collot Guerard**, ex-Media Access Project, joins FTC as litigating attorney in Bureau of Competition; she's wife of FCC Gen. Counsel **Robert Bruce**... **James Cardwell**, ex-comr., Social Security Administration, named CPB vp-finance & treas., succeeding **Ben Posner**, retired... **Dan Cordtz**, ABC News, elected pres. of new Economic Bcstrs. Assn.

Robert Martin, ex-aide to President Ford, named Outlet Co. corp. affairs dir... **Fred Barber & Dan Hart**, Capitol Bcstg., Raleigh, named vps... **Wayne Blick** appointed a vp, Palmer Bcstg... **Conrad Fink** advanced to exec. vp, administration, Park Bcstg. & Newspapers... **John DiMatteo**, ex-Digital Development, named communications mgr., Convergence Corp.

To help cable operators avoid interfering with aeronautical radio services, new quarterly publication, "Aeronautical Frequency Assignments Near Cable TV Carrier Frequencies," is available from National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22161; single copies, \$10.50 hard copy, \$3 microfiche, \$36 per year hard copy only.

"Clearly, there are no czars, no all-powerful person or group which controls [TV] program content," according to ABC-TV Network Pres. **James Duffy**. Speaking to Sales & Marketing Executives of Atlanta, he said that TV reacts to public opinion and that TV "must be concerned about what government thinks."

Reception for FCC Chmn. **Charles Ferris** & Comr. **Tyrone Brown** will be held by Broadcasters Club Dec. 14, 6:30 p.m.

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with
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House TV coverage should be by media, not by House-controlled cameras, group representing various broadcast organizations (unions, networks, journalism societies, commercial and public broadcasting stations) agreed at meeting hosted by RTNDA in Washington. Steering committee was established to draw up statement, which will be delivered to full meeting Nov. 28. House voted last month to permit closed-circuit TV coverage of daily floor debates, called for special study to determine how it's to be done (Vol. 17:44 p3).

Legislation to regulate children's TV advertising now under consideration by N.Y. State Legislature runs "counter to the basic concepts of the First Amendment," according to NAB Pres. **Vincent Wasilewski**. In letters to legislative leaders, he also questioned necessity for state action because of "pervasiveness" of federal govt. activity in same area. Added ABC-TV: "We believe that... the solution to the problems addressed lies beyond the jurisdiction of the N.Y. State Legislature."

Self-regulation is subject at 7th session of series on Children & Advertising by Georgetown Law Center, Dec. 5, Kennedy Center, Washington. Panelists: **Hermino Traviesas**, NBC; **Emilie Griffin**, formerly NAB; **Donald McGannon**, Westinghouse; **Warren Braren**, Consumers Union. **Elaine Reiss**, Ogilvy & Mather, will be moderator.

Delmer Ports Memorial Award, honoring late NCTA engineering vp, has been established by IEEE's Broadcast, Cable & Consumer Electronics Society. Plaque will be presented, probably at NCTA convention, to person making outstanding engineering contribution to cable. Head of nominating committee is FCC Cable Bureau's **Robert Powers**.

CBS increases quarterly dividend to 60¢ from 50¢—3rd successive annual increase.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 4 (44th week of 1977):

	Oct. 29- Nov. 4	1976 week	% change	Oct. 22-28	1977 to date	1976 to date	% change
Total TV	413,633	322,654	+28.2	472,010	11,912,181	10,317,831	+15.5
color	248,637	192,839	+28.9	293,996	7,393,701	6,156,429	+20.1
monochrome . . .	164,996	129,815	+27.1	178,014	4,518,480	4,161,402	+8.6
Total radio	1,754,262	642,363	+173.1	1,733,185	46,046,870	34,722,884	+32.6
home, portable .	1,482,817	363,702	+307.7	1,437,457	35,373,994	24,113,728	+46.7
AM-only	331,424	206,746	+60.3	510,506	8,621,254	7,294,295	+18.2
FM & FM-AM .	1,151,393	156,956	+633.6	926,951	26,752,740	16,819,433	+59.1
auto	271,445	278,661	-2.6	295,728	10,672,876	10,609,156	+0.6

Color TV 5-week moving average: 1977—236,956*; 1976—200,419 (up 18.2%).

*Record for 44th week of any year.

GE, WARD'S VTR PLANS, 6-HOUR CASSETTE: New list price on all Beta & VHS videocassette recorders, for all practical purposes, is \$995. "Street price" at discount stores is at least \$100 under that. Last week, Montgomery Ward started shipping Panasonic VHS units at \$995 list, GE formally opted for VHS, Sylvania was shipping similar unit at \$995 and Toshiba dropped suggested list of its 1- & 2-hour Beta from \$1,300 to \$1,095.

Meanwhile, JVC informed dealers it would offer "3-hour" cassette for its 2-hour VHS deck next year. Like Sony's upcoming 3-hour cassette, it will contain more (& thinner) tape to extend recording & playing time 50% with no modification to VTR deck. Implicit in JVC announcement is fact that new cassette will extend recording time of 4-hour VHS machine to 6 hours, and, presumably, of European 3-hour machine to more than 4 hours. New longer-playing cassettes will increase pressure for development of VTR programmer-timer which can change channels unattended. It's almost certainty that at least one prototype will be shown at Winter CES.

VTR unit now being shipped by Montgomery Ward is Panasonic-brand "Omnivision IV" 2- & 4-hour VHS; \$995 price is \$100 below Panasonic's own suggested list on same unit (Vol. 17:42 p11). Ward thus follows J.C. Penney in offering brand-name rather than own-brand deck; Penney, which buys some of its Penncrest TVs from RCA, is selling RCA SelectaVision 2-4-hour VHS deck.

GE has opted for Matsushita 2-4-hour VHS system for sale next year, as we forecast 2 weeks ago (Vol. 17:45 p6). GE decks will be modified with compensation circuitry to eliminate VIR signal on picture, making it unnecessary for owners of sets equipped with VIR color control system to disable it. Since Panasonic also is offering VIR-equipped TVs, it's reasonable to expect it to put same modification in its future decks. Sylvania, which has started shipping its "Instant Replay" 2-4-hour VHS deck, has notified distributors list price will to \$995.

Pace of retail advertising for VTR has picked up substantially, most of it geared to price. On Nov. 14, same day Sony reduced Betamax suggested list to \$1,095 (Vol. 17:46 p8), Macy's started advertising it in N.Y. at \$995. Also in N.Y., Zenith Beta machine was being advertised at \$875, and RCA VHS was selling as low as low as \$825. Possibly most sensational ad was full-pager at week's end by big Friendly Frost chain, offering Zenith Beta VTR, timer, GBC b&w camera & mike (list \$250) and tripod for \$1,095 ('Save \$500 at Friendly Frost').

FCC CB DECISION STIRS PROTEST: FCC 4-2 vote to keep Jan. 1 23-channel marketing deadline (Vol. 17:46 p9) drew furious responses from some CB retailers & suppliers, and formal appeal from Tanner Electronic Systems Technology (TEST), producer of receive-only CB adaptor for car radios.

"This is just another example of where govt. has absolutely no sensitivity to the plight of the small merchant," NARDA Exec. Vp Jules Steinberg said angrily. "We feel frustrated in trying to teach business principles to bureaucrats." NARDA backed petition drive aimed at extension to Aug. 1, 1978 of marketing date on CBs manufactured under old specs (Vol. 17:36 p10 et seq.).

In petition filed last week, TEST argued that decision: (1) Doesn't agree with FCC marketing waiver—based on petitions from Ward & Radio Shack—granted earlier on hand-held CBs. (2) Came amid erroneous suggestions that some petitioners continued making CBs after Aug. 1, 1977 manufacturing cut-off date. (3) May be "disastrous" for small companies such as TEST.

Several involved in original request to FCC said decision would force smaller merchants with 23-channel inventories to "dump" everything before Jan. 1, some taking enormous losses. "I can see the government doing this with a drug which causes cancer," executive of nationwide buying syndicate said, "but not with a CB. This will really hurt most of my clients."

But major distributor which opposed extension said decision was in line with original FCC dates. "We took them at their word, bit the bullet and got rid of our 23s," Dow-Com Pres. Craig Martin said. Martin acknowledged that Jan. 1 date will lead to low-price 23 dumps—"but I'd rather see one gigantic flush of the toilet than just letting it leak on & on."

Flush may not come, however. Major supplier which backed extension said smaller dealers "could care less what the FCC says or does. If they've got them after Jan. 1, they'll sell them." Larger retailers, with established regional or national images, will probably obey law, sell 23s at depressed prices before year's end, he said—"but they've been doing that anyway."

Will FCC discuss issue again? That depends on whether staff can get item back on agenda before whole situation becomes academic. Chief Engineer's Office, which backed modified extension, may try to reintroduce issue for meeting week of Dec. 4. At week's end, several others involved in original request for extension said they were contemplating other possible avenues of appeal—including court action—but would wait until final Commission order is released before reaching decision. Spokesman in Chmn. Ferris' office said order should hit street early this wee

Other signs of turmoil in CB world: (1) E.F. Johnson said it will close one (Clear Lake, Ia.) of 2 CB plants, due to "impact that Japanese imports have had on domestic CB manufacturers." (2) Cybernet & Uniden indicated they will bow to pressure from importers, shift from yen- to dollar-denominated contracts to forestall further losses caused by stronger yen. (3) Cubic Corp. (San Diego) dropped plans to produce CB in U.S., halted imports.

ITC STUDY DETAILS 19" PRICE-CUT STORY: Second International Trade Commission quarterly report on status of domestic color TV industry, released last week, shows 19" factory pricing continued on downslide in 3rd quarter, contains revised figures for earlier quarters showing lower price levels than it originally reported.

Reports are based on answers to questionnaires sent to all domestic TV producers, both U.S.- & foreign-owned, as part of program to monitor effect of Orderly Marketing Agreement limiting Japan's annual color exports to U.S. to 1.75 million. Manufacturers are required by law to respond.

Average-price portion of study, which breaks down factory sales into 4 screen-size groups, shows relatively steady decline in prices for all 19"-&-under models since 4th quarter 1976, some recovery in 3rd quarter for 13" & 16"-17" models. Recovery in 20"-&-over pricing came in middle of 2nd quarter. In 13", ITC says, average price peaked at \$235.17 in Nov. 1976, bottomed at \$212.64 in April, closed in Sept. at 1977 high of \$222.28. In 16"-17", 4th quarter 1976 high was \$315.55 in Dec., low point of \$270.20 came in May, with peak of \$316.96 in July. Sept. average was \$281.89. Peak 19" price of \$366.32 came in Dec. 1976, low of \$291.42 in Sept. Revised 19" pricing for 4th quarter 1976 and opening 1977 quarters is \$13-\$30 below levels for

those periods indicated in report ITC issued last Sept. (Vol. 17:36 p7). For 20"-&-over models, peak average of \$465.22 was posted in Nov. 1976, bottom of \$442.62 in Jan., with 1977 high of \$460.65 reached in June. Sept. average was \$458.18. Prices are for both domestic-made sets and those imported sets which were warehoused at domestic production facilities.

Domestic producers imported 264,273 complete color receivers in first 9 months this year, up 43.2% from same 1976 period, 85,100 in last quarter 1976, representing 4.8% & 4.4% of total requirements (production plus imports) for those respective periods. Imports accounted for 8.8% of total 19" requirements, 13.2% of all 17"-&-under supply. Figures are somewhat misleading, since only imports in U. S. factories were included; for example, sets Sony imported & housed in San Diego where it has color plant are part of total, but not those it brought in through N. Y.

Value of factory color shipments (including covered imports) was \$2.34 billion for 12-month period surveyed. Shipment value by quarter: 4th 1976, \$584.7 million; first 1977, \$551.5 million; 2nd 1977, \$585.2 million; 3rd 1977, \$617.7 million. Total shipments for full period were 6.55 million, with quarterly shipments of 1.58 million, 1.57 million, 1.67 million & 1.73 million. Shipments in first 9 months this year of 4.97 million were up 14.4%, production at 5.14 million up 15.6%.

Revised color inventory figures, when compared with EIA data, show importer stockpiles significantly higher (some 100,000 monthly) than ITC earlier report indicated, but still give no evidence of massive stockpiling. Average color inventories for U. S. producers on quarterly basis, with derived importer inventories in parentheses: 4th 1976, 709,000 (538,000); first 1977, 633,000 (582,000); 2nd 1977, 851,000 (637,000); 3rd 1977, 801,000 (700,000). Total color inventories represented by imports ranged from high of 49.4% in Feb. to low of 40.8% in June, stood at 46.7% at end of Sept. In 19"-&-under color inventories, import share ran from high of 59.6% in Feb. to low of 51.4% in June, was 56.5% in Sept.

Here's rundown on average U. S. factory pricing & production on quarterly basis as developed from ITC figures:

AVERAGE U. S. FACTORY COLOR PRICES

	13"	16"-17"	18"-19"	20"-&-over	All Sizes
4th qtr. 1976	\$227.17	\$307.23	\$328.94	\$460.74	\$369.88
1st qtr. 1977	224.00	292.65	305.22	445.38	351.51
2nd qtr. 1977	219.20	281.31	302.42	452.38	349.63
3rd qtr. 1977	230.99	291.11	295.92	453.46	356.82

U. S. FACTORY COLOR PRODUCTION

	17"-&-under	18"-19"	20"-&-over	Total
4th qtr. 1976	236,621	604,978	638,454	1,480,033
1st qtr. 1977	259,910	703,187	644,891	1,607,988
2nd qtr. 1977	297,437	757,279	769,593	1,824,309
3rd qtr. 1977	257,256	719,003	730,210	1,706,469

Is 27 MHz best home for CB? That's "guideline conclusion" of interference study conducted by FCC. Though results were described as "ambivalent" due to small testing sample, study ranked 3 frequencies (in order of least interference potential) this way: To audio devices (guitars, etc.), FM & AM receivers—27, 220 & 920 MHz; to TV sets—27, 920 & 220. Study is part of OPP effort to come up with recommendation on best future location of personal radio service.

More price boosts: U. S. Pioneer plans increase of at least 4% in Jan. to cover rise in value of yen. It would be firm's 3rd hike in year...Aerovox capacitor prices rise 5-7% Dec. 1 to cover increased materials costs.

Council on UHF Bestg. (CUB) has contracted with Georgia Tech to help set up "technically sound uniform standards for the measurement of UHF receiving antennas."

ONE-HOUR TED DISC? Telefunken's unsuccessful TED mechanical videodisc system may be headed back to drawing board. System has been marketed in Germany for 2 years, currently gets 10 min. playing time from flexible 8-in. disc. It's understood that system may be completely overhauled on basis of lab work which has resulted in achieving 30 min. of superior recording on rigid 8-in. disc. Presumably Telefunken will attempt to develop 60-min. 12-in. disc. Either development would require completely redesigned player.

TED system may finally come to U.S., in special form for industrial-educational use. Pres. Kip Pritzlaff of Techno Products Corp., N. Hollywood, Cal., told International Videodisc/Home Video Programming conference in N.Y. last week that his company plans to import TED player made by General of Japan and has developed modification for random-access addressing of disc. He said random-access disc changer, capable of addressing any portion of 12 discs, will be available in early 1978.

Video Programming Seminar was living proof that industry has reached point of diminishing returns in seminar business. Though there were claimed to be 300 registrants (at \$245-\$375 each), it was impossible to count 100 people at any session, including those few scheduled speakers who showed up. Only one videodisc system was represented at technical session (Techno Products—TED) and attendees complained bitterly from floor—one referring to it as "last annual Video Programming Conference."

CES GOES 'INTERNATIONAL': Vastly expanded Summer Consumer Electronics Show June 10-13 in Chicago has been designated "international" show by Commerce Dept., and for first time will feature "International Buyers Center" staffed with bilingual personnel, will have export seminar, be advertised in Europe. Show will open on Sat. for first time, making possible lower-cost weekday set-up & dismantling of exhibits. It will feature 3 main exhibit areas—McCormick Place, McCormick Inn, and Conrad Hilton Hotel, latter for "esoteric" audio exhibitors. Addition of Hilton should serve to incorporate into actual show many of former unofficial "side-show" exhibits.

Summer CES will continue to stress economy of participation. McCormick Place space will be \$4.50 per sq. ft., including many extras. Turnkey price for McCormick Inn sound demo rooms will be \$2,000, while Hilton rooms will be \$500-\$1,000.

Winter CES, Jan. 5-8, first one held in Las Vegas, is sold out to more than 500 exhibitors, with 73 on waiting list, according to Show Mgr. William Glasgow. It will be triple size of last winter's show in Chicago. Seminar sessions will include personal communications conference (sponsored by EIA Citizen's Radio Section), video systems, auto sound & personal computer conferences, joint NARM-RIAA-EIA session on audio hardware & software. Glamor products at show are expected to be video devices (VTRs, games, computers, projectors) & car hi-fi systems.

Plane reservations from eastern cities already

While many attendees said they found panel sessions useful, some information "revealed" at symposium appeared to be questionable. Seminar Chmn. Charles Arden stated in press release that it was "rumored that Telefunken & RCA have developed a joint engineering exchange of information that has enabled RCA to announce its one-hour SelectaVision videodisc." Questioned about statement, RCA Videodisc Operations Staff Vp Richard Sonnenfeldt told us it was "absolutely untrue...RCA & Telefunken have never had any engineering interchange" on videodiscs.

Conference press release also said David Miller of U. of Ill "announced...that negotiations are almost completed for the acquisition of Zenith [Radio] Corp.'s complete R&D Div., patent, designs, lab & lab prototypes by the U. of Ill." Miller is quoted as saying university will continue to develop optical videodisc for industrial-institutional markets.

Spokesman for U. of Ill. said Miller didn't "announce" anything, wasn't speaker at seminar, but might have talked with someone there. University's position is that it has made offer for parts of videodisc & IC R&D operations (latter believed to be very small) and that its interest is in developing interactive videodisc for instructional use. Zenith spokesman said company is negotiating with outsiders who want to buy various parts of its R&D operation, but no decision has been made on whether portions would be sold off or just discontinued, let alone which buyers to sell to.

are becoming tight (both non-stop Vegas-N. Y. flights Jan. 8 are already filled up), but Del Webb organization is expected to add more charter flights, and it's anticipated that scheduled airlines will announce new excursion flights before showtime, as soon as CAB approves special fares.

Softness in retail color sales (Vol. 17:46 p7) apparently continued into 2nd week of Nov., with scattered signs of improvement detected by retailers & manufacturers. "Soft but not serious," was way one producer described it, adding that heavy promoters seem to be doing good business. Another supplier said last 2 weeks of Oct., first week of Nov. "were definitely soft at retail. We don't know yet what happened in the 2nd week." Retailers across country told us 2nd week remained sluggish, but several pointed to signs of pickup. "It's slow, but there are spotty indications it's improving," buyer for southern chain said. "Some stores are reporting a pickup, and my hunch is it's ready to take off for Christmas." Meanwhile, color TV sales to dealers totaled 212,000 in 2nd week of Nov. (ended Nov. 11), up about 8.6% from year earlier and 3rd weekly record in 4-week period.

Dumping probe into charges Japan has been exporting alarm sounding devices to U.S. at less than fair market value is being opened by Treasury. Dumping complaint was filed by Delta Electric Div. of Halle Industries, Marion, Ind., which told Treasury that devices, such as those used in smoke detectors, were being sold here at 26-38% below prices in Japan.

VIDEO AT RETAIL: Despite software & hardware shortages, near-chaotic price structure and unknown market potential, infant home video market is spawning new breed of specialty retailer. Most agree that future of store specializing in VTR, projection, advanced games (and eventually discs) is bright, but at least one is sounding note of caution.

"Video will be like TV," warned Gene Kahn, Columbia Video Systems (Chicago) mktg. vp, at recent N. Y. ITA seminar (Vol. 17:44 p7). "In a few years, when consumers don't have to go to the expert, they'll go to the stores where they can buy at the lowest price." But with right approach, there's already good opportunity for specialist, Kahn added. At Columbia, video showroom is isolated from existing audio operation, is equipped with complete range of operating decks (Sony, Sanyo, RCA, Zenith, JVC), projection systems (Advent) & MPU games (Atari). Customers can easily compare systems on three 19" color sets, see demonstrations of taped programs rather than daytime fare—"we can show them football in April and baseball at Christmas."

Video customer is relatively unsophisticated, Kahn said. Words like "format" or "compatible" aren't used by salesmen; customer wanting to know if tape from one deck can be played on deck from another supplier is simply told "yes" or "no." On prices: There's no need to discount at this point—"how can you justify selling RCA for less than \$995 now when they are short." On advertising: It should be done by people familiar with video—"you don't need an ego trip, you need ads that will sell."

Another successful video specialty outlet was described by Stuart Brenner, exec. vp of Video Theater in Atlanta, which has 100-ft. window frontage in multi-use shopping center, leaves systems running 24 hours. "We always find fingerprints all over the windows the next day." Video Theater stresses "expertise & sizzle," is working hard to build specialty image. "We're not a TV shop, we're the video specialty store." Ads are kept simple—"the public doesn't know about video yet"—with TV & direct mail as major vehicles.

Major problems now are software shortage & pricing; store has been selling RCA VHS systems at \$1,095 but Brenner complained that national RCA ad mentioned \$1,000 price. "We can sell them all day long at \$1,095 in Atlanta," he said.

Non-specialist moving heavily into video said profile of VTR purchaser has changed significantly in last 6 months. According to Jack Luskin, pres. of Luskin's (Baltimore), major customers half-year ago were "extension of audiophile"—and dentists "for some strange, goofy reason." Now, he said, store is selling Quasar & Sony systems "to mid-America." Market will continue to grow, Luskin believes, as families react to high entertainment & movie prices, return to modern hearth—TV set.

Next step on part of VTR manufacturers should be fully programmable, varactor-tuned deck so user can "enjoy TV the way it was meant to be enjoyed." With more advanced decks, he added, consumer can remove "the junk & garbage" being broadcast, retain only what he wants.

TV WORKERS SEEK AID: Labor Dept. (LD) opened 3 new TV-related import adjustment assistance eligibility investigations, ruled displaced CB workers at Tram/Diamond and those making dictating equipment for Dictaphone are entitled to help.

LD's findings in Tram case provide virtual mini-history of CB business. Employment at Winnisquam & Laconia, N. H. plants, where base stations were produced, jumped 117% in 1976, rose 66% in first half this year despite first- & 2nd-quarter layoffs of 4% & 10%, respectively, and major layoff came in June. Production dropped 22% in Jan., rose 10% in Feb., fell 5% in March, 9% in May, 10% in June, with result that June output was 33% lower than Jan. Tram opened Mexican export-assembly plant in Jan., and while output there rose steadily Jan.-April, it fell 69% in May, but was still above output level of U. S. facilities, and in first half Mexican plant accounted for 34% of total company production.

Agency granted aid bid for workers at Dictaphone's Bridgeport, Conn. facility who lost jobs when company halted production of cassette machines, last July in favor of importing from unrelated Japanese supplier.

New TV cases cover workers producing complete color & b&w TV and stereo systems at Wells-Gardner, Chicago; controls for TV & radios at Mallory Controls, Frankfort, Ind.; TV tuners & deflection components at General Instrument F. W. Sickles Div., Chicopee, Mass. Other new cases opened: Timex, Abilene, Tex. (watches) & Middlebury, Conn. (LED & LCD watch components); Dictaphone, Bridgeport (recorder machines & belt-type dictating equipment); Bell & Howell, Burlington, Mass. (communications & surveillance equipment); Horton & Hubbard Mfg., Nashua, N. H. (stereo speaker cabinets); Corning, Blacksburg, Va. (microwave oven shelves); Victor United, Chicago (hand-held & desktop calculators); Semi Conductor Circuits, Haverhill, Mass. (electronic power supplies).

Carter Administration has revealed plans to seek changes in import adjustment assistance regulations to provide improved benefits for workers, more realistic help for businesses and simplification of rules under which economic aid is given to communities with high import-related unemployment. AFL-CIO, however, is drafting legislative proposal calling for across-board quotas on virtually all imports, limiting them to historic shares of U. S. market. Unions feel measure, similar to Burke-Hartke bill which died in committee in late 1960s, might get more favorable congressional consideration now that Administration has bowed to industry pressure, worked out quota agreements with major foreign exporters of color TV, shoes, steel, etc.

Bowmar sold controlling interest in Canadian LED manufacturing operation to Optotek, newly founded by group of Bowmar Canada employes. Included in \$40,000 transfer price were some technology rights and outstanding supply contracts. Continuing operations in Ft. Wayne will be restricted to engineering & marketing of LED displays & keyboard systems, with product sourced from independent contractors in South Korea.

Trade Personals

C. Douglas Carter advanced at Zenith from color TV product mgr. to audio product planning dir.; **Ned Lindemann**, former mkt. development specialist, named audio product planning mgr... **Dennis Casey** advanced to GTE Automatic Electric industrial & consumer mktg. vp responsible for newly formed Communications Systems & Consumer Products Divs. (telephones)... **Ronald Stoltenberg** promoted at Sylvania Entertainment Products from mdsg. mgr. to Philco sales vp, succeeding **William McGourley**, who continues as east mgr... **Frank Leonardi**, ex-Panasonic, joins Sony Hi-Fi Div. as national mktg. mgr., new post.

Herbert Taber advanced at RCA from Picture Tube Div. international mktg. dir. to corp. staff mktg. planning vp... **John Hollands** advanced at BSR (U.S.) to chmn.; **Charles Sweeney** promoted from exec. vp to pres., succeeding Hollands... **Lawrence LeKashman**, ex-Gladding Electronics Group vp, rejoins Electro-Voice as mktg. vp... **Ron Means** advanced at University Sound to national sales mgr... **Joel Zimmer** sells interest in Panorama Radio-Precor, resigning as pres. & a dir., forming new Seville Electronics Corp., specializing in similar consumer electronics products (radios, recorders, stereo).

Ron Schneiderman, ex-Consumer Electronics Daily, joins Merchandising magazine as managing editor... **Joanne Tierney** resigns as Toshiba America ad & PR mgr... **Wilbur Klint** promoted from Radio Shack div. ad mgr. to retail sales promotion mgr... **R. Lee Dennis**, ex-CBS Masterwork Audio, named Sharp Audio Products Dept. Central region sales mgr... **Carter Elliott**, ex-IVC & Ampex, appointed GRT PR mgr.

Thomas Corpus promoted to Finney Co. sales vp; **Dennis Dorsey** named special regional sales mgr... **Martin Yamoto**, former Murata America exec. vp, named pres. of component-producing subsidiary JFD Electronics, succeeding H. Ihouye, who returns to parent in Japan... **James McCormac**, ex-Texas Instruments, joins National Semiconductor as automotive sales mgr; **Albert Moyer**, ex-White Consolidated, appointed controller & chief accounting officer.

Obituary

W. Walter (Wally) Watts, 75, a major architect of TV, died Nov. 15 in Boca Raton, Fla. after long illness. He joined RCA in 1945 and became vp following year after wartime service as commanding officer of Signal Corps Distribution Agency. Before war, he worked at Montgomery Ward and Wincharger Corp. During Korean War, he served as deputy administrator of Defense Production Admin. Rejoining RCA, he served in various exec. vp posts, became group exec. vp for consumer products, components, distributor & commercial relations 1960-66, senior exec. vp in 1968. He was among very few RCA executives for whom mandatory retirement at 65 was waived, retiring at 68 in May 1970, but remaining on board another year. He owned hotel on Captiva Island, Fla. Wife & daughter survive.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Ampex			
1977-6 mo. to Oct. 29	151,372,000	9,622,000 ^a	.88
1976-6 mo. to Oct. 30	139,285,000	4,645,000 ^a	.43
1977-qtr. to Oct. 29	80,598,000	5,100,000 ^a	.47
1976-qtr. to Oct. 30	73,836,000	2,833,000 ^a	.26
Downe Communications			
1977-9 mo. to Sept. 30	78,288,000	2,075,000 ^a	.39
1976-9 mo. to Sept. 30	89,161,000	8,733,000 ^a	1.63
1977-qtr. to Sept. 30	26,678,000	795,000 ^a	.15
1976-qtr. to Sept. 30	25,983,000	(658,000)	--
Lee Enterprises			
1977-year to Sept. 30	82,967,000	11,670,000	2.35
1976-year to Sept. 30	69,770,000	9,424,000	1.88
1977-qtr. to Sept. 30	22,018,000	3,608,000	.73
1976-qtr. to Sept. 30	18,304,000	2,874,000	.57
Movielab			
1977-9 mo. to Oct. 1	20,774,879	353,628 ^a	.25
1976-9 mo. to Sept. 25	19,887,084	432,352 ^a	.31
1977-qtr. to Oct. 1	6,483,773	13,804 ^a	.01
1976-qtr. to Sept. 25	6,416,683	90,132 ^a	.07
Oak Industries			
1977-9 mo. to Sept. 30	114,184,724	1,221,233	.49
1976-9 mo. to Sept. 30	107,378,034	1,873,535	.99
1977-qtr. to Sept. 30	34,091,492	(73,698)	--
1976-qtr. to Sept. 30	34,023,439	226,074	.09
Pathcom			
1977-9 mo. to Sept. 30	17,387,315	(13,127,847)	--
1976-9 mo. to Sept. 30	75,320,962	2,537,162	.88
1977-qtr. to Sept. 30	5,600,319	(7,345,300)	--
1976-qtr. to Sept. 30	11,611,657	(3,713,566)	--
Philips NV ^b			
1977-9 mo. to Sept. 30	9,021,400,000	180,000,000	--
1976-9 mo. to Sept. 30	8,818,000,000	147,000,000	--
1977-qtr. to Sept. 30	3,135,900,000	57,700,000	--
1976-qtr. to Sept. 30	3,015,200,000	51,500,000	--
Sonderling Bcstg.			
1977-9 mo. to Sept. 30	23,183,000	1,860,000	1.69
1976-9 mo. to Sept. 30	20,449,000	1,856,000	1.69
1977-qtr. to Sept. 30	9,428,000	868,000	.79
1976-qtr. to Sept. 30	7,742,000	910,000	.83
Starr Bcstg.			
1977-year to June 30	30,500,551	2,152,866 ^a	1.50
1976-year to June 30	29,163,842	(5,074,355)	--
1977-qtr. to Sept. 30	7,604,923	302,646	.20
1976-qtr. to Sept. 30	7,107,873	293,705 ^a	.23
Superscope			
1977-9 mo. to Sept. 30 ^d	123,900,000	2,600,000	1.12
1976-9 mo. to Sept. 30 ^d	130,000,000	6,200,000	2.70
1977-qtr. to Sept. 30 ^d	42,400,000	300,000	.12
1976-qtr. to Sept. 30 ^d	45,500,000	2,200,000	.95
Teletypewriter			
1977-9 mo. to Sept. 30 ^d	87,397,000	5,758,000 ^a	.34
1976-9 mo. to Sept. 30 ^d	82,735,000	(1,501,000)	--
1977-qtr. to Sept. 30 ^d	31,150,000	2,866,000 ^a	.17
1976-qtr. to Sept. 30 ^d	32,709,000	799,000	.05
Trans-Lux			
1977-9 mo. to Sept. 30	9,649,725	636,498 ^a	.32
1976-9 mo. to Sept. 30	8,329,550	269,867 ^a	.14
1977-qtr. to Sept. 30	3,462,036	224,954	.11
1976-qtr. to Sept. 30	2,719,128	76,915 ^a	.04

Notes: ^aIncludes special credit. ^bAt guilder's current rate.

^cAdjusted. ^dRestated.

New brand entries in overcrowded fields: Sylvania offers 2 AC-powered photoelectric smoke detectors at \$24.50 & \$30. Riccar, Japanese sewing machine producer, enters U.S. microwave oven market next spring, expects to sell 10,000 yearly.

WEEKLY

Television Digest®

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FERRIS's 5-WEEK FCC LOG shows 9 visits by broadcasters, none by cable; Schmidt says that'll be corrected. Ferris likes 'brown-bag' lunches, has had only 2 lunches outside building. Pertschuk & Geller drop in. (P. 1)

COACH VAN DEERLIN CALLS PLAYS: Says 'no official weight' to Shooshan-Hochberg sportcasting recommendations which urge FCC control of networks, action by Justice Dept., FTC, Congress. (P. 2)

CEREAL MAKERS' CASE presented to FTC, stresses vitamins & minerals, etc., reduced cholesterol. Pertschuk looks for action in Jan. (P. 3)

NAB's 'TOP PRIORITY' is fight against performance royalties but more significant action could be change of historic position against federal grants to acquire broadcast stations. Assn. won't submit proposals for rewrite—to avoid being 'sandbagged.' (P. 4)

UPGRADING SATELLITES: Schlafly & Button converting Kansas City earth station to 2-way, will provide service for data, private line, etc. Six more in works, others expected. (P. 4)

WOMEN's GROUPS SHOULD join campaign to de-emphasize exploitation of female bodies and use of violence on TV—National Conference. (P. 5)

FERRIS's 5-WEEK LOG AT FCC: We took Charles Ferris up on his promise to maintain open appointments book as FCC chmn., found that since he took office Oct. 18 he has had 9 appointments with commercial broadcasters and/or groups, none with representatives of cable. He also has had very few appointments with spokesmen of other regulated industries.

Commented NCTA Pres. Robert Schmidt: "We're going to be seeing him but we haven't felt the need to camp on his doorstep... We took him at his word that he wanted some time to learn the issues... We're going to sit down with him [this week or next]. We're very anxious about some issues."

Appropriately enough, first commercial broadcaster to gain appointment was Clifford Kirtland, pres. of Atlanta-based Cox Bcstg., on Nov. 2. Kirtland was followed immediately by Springfield Bcstg. Pres. William Putnam in session arranged by Rep. Boland (D-Mass.); CBS News Washington Vp Sanford Socolow saw Ferris same day. Most appointments are noted on calendar "to meet new chairman."

Other broadcasters who've had appointments include INTV Pres. Herman Land; CBS Washington Vp William Leonard; NBC Washington's Robert Hynes "to offer use of a cassette on what a network does"; NAB Cable/Translator Subcommittee (Vol. 17:47 p4); NAB Chmn. Donald Thurston, Pres. Vincent Wasilewski & Govt. Affairs Vp Roy Elson; ABC Senior Vp-Gen. Counsel

Everett Erlick & Washington Vp Eugene Cowen.

Ferris's calendar shows only 2 outside lunches—Oct. 25 with ex-Chmn. Richard Wiley and Oct. 28 with PBS correspondent Paul Duke. Ferris seems to prefer "brown-bag" lunches in building—has had 2 in his office with reporters, several with FCC branches & divisions; next is Nov. 28 with Complaints & Compliance staff. Ferris said he plans "one or 2" such staff lunches weekly and soon will reinstitute Mon. morning sessions in his office with bureau chiefs.

Many appointments in book refer to "personnel matters"; names most often mentioned as meeting with Ferris are his Administrative Asst. Frank Lloyd & FCC Gen. Counsel Robert Bruce. OTP consultant Henry Geller—slated to become asst. secy. of Commerce for telecommunications—also is listed couple of times.

Numerous appointments either were with—or about—Employe Representation Board (ERB) and Ferris's announcement that Commission hours would change from 8-4:30 to 9-5:30. ERB bitterly opposed shift, and full Commission held unusual 2-1/2 hour, standing-room only meeting with employees (overflow watched on closed circuit) Nov. 21. Employes were most unhappy because they weren't consulted about change, now to become effective Jan. 2. Ferris explained he wants each office that deals with public to have professionals available until 5:30 p.m., that employes with hardships will be given consideration on hours.

In session of interest to broadcasters, Ferris & FTC Chmn. Michael Pertschuk (and staffers) met Nov. 16 on children's TV. Pertschuk said agencies brought each other up to date on what they're doing and that there was "a promise of close cooperation." Ferris said meeting was "an exchange of views," which included jurisdictional issues. He plans to re-activate FCC's children's TV task force soon and to reopen program inquiry—which Commission closed earlier this year without taking action.

Ferris held Nov. 15 meeting "with folks from OTP... on matters of common interest." Other appointments of interest to broadcasters: National Leadership Conference of Polish Americans to complain about way TV portrays Poles; Robert Choate, Council on Children, Media & Merchandising.

Network study staff of 10 professionals will be named by end of next week, Ferris said, and he has given investigation of networks top priority. He said no bureau or division chiefs have submitted "formal" resignations, nor has he asked for any.

Chmn. has turned down about 40 speaking engagements, and he noted that self-imposed 6-month ban on speeches ends before NAB & NCTA annual conventions. NAB already has invited him for April 9-12 Las Vegas convention; Ferris told us he didn't make commitment but that "I certainly would make every effort to accommodate the NAB."

* * * *

Commission has very heavy calendar for Nov. 30 meeting—29 agenda items for open meeting, another 5 at closed session—expects it to continue next day. Among important matters: Reconsideration of regional concentration multiple ownership rules; proposed rulemaking to delete program restrictions on over-the-air pay TV (to make them comply with court-ordered deletion of pay-cable restrictions); network non-duplication protection for TV stations from cable systems; corp. ownership & disclosure by widely-held broadcast licensees.

COACH VAN DEERLIN CALLS PLAYS: An irate Rep. Van Deerlin (D-Cal.) blitzed recommendations on sportscasting offered by staff of his Communications Subcommittee. He disagreed "emphatically" with many of their suggestions for extensive govt. intervention. Said he from Cal. office last week: Staff memo to Subcommittee members is "just that and no more, [with] no official weight and... not intended to" carry such weight.

Van Deerlin disagreed particularly with recommendation that Congress should give FCC direct jurisdiction over networks. "There is evidence," he said, "that the networks have already moved to avert future incidents of deception or manipulations of sporting events." In general, he said, govt. is more effective when it publicizes violations & improprieties "than by extending tighter control over media which operate best in an atmosphere of freedom." Re-

port was written by special counsel Philip Hochberg and Chief Counsel Harry Shooshan. They urged action by FCC, Justice Dept., FTC, Congress.

They said FCC: Should be given control over networks; require procedures disclosing considerable details of sports controls; study network use of voice-overs for past sporting events; consider whether CBS violated sponsorship rules in connection with Jimmy Connors tennis matches.

Justice Dept., according to staff, should: Investigate ABC refusal to allow cable carriage of Ohio State U. games in Columbus; look into ABC influence on U. of Pittsburgh's choice of bowl game; investigate ABC payment of \$10,000 to employe Alex Wallau in relation to boxing telecasts.

Memo said FTC should: Investigate network promotion of sportcasts, such as CBS's "Winner Take All" tennis and NBC's listing as active in Pleasant Valley tournament those golfers already eliminated or never participating.

Staffers urged that Congress: Consider legislation to protect scholastic & college football against impact of expanded NFL season, Fri. night baseball playoffs, World Series.

Report goes into well known details of negotiations with Russia on 1980 Olympics, expresses concern over NBC's ability to resist USSR pressures--"there will not be an American hand on every switch."

CEREAL MAKERS' DAY IN FTC COURT: Cereal manufacturers got their licks in before FTC last week, and Chmn. Michael Pertschuk concluded that agency has some "very, very tough questions" before it, told us he now expects staff work on issue to be completed in Jan., target slipping a month from his earlier estimate (Vol. 17:46 p4).

Two petitions are before FTC: (1) From ACT, seeking ban on TV advertising to children before 9 p.m. (2) From Center for Science in the Public Interest, seeking ban on ads for sugary snack foods plus mandatory health warning in commercials for other sweetened foods.

Cereal-maker spokesmen argued that sugared cereals help persuade children to eat full breakfast—because ads always show full breakfast with juice, toast & milk; that child must be sold on brand because he won't eat a cereal unless he wants it; that child would get 100% of daily vitamin requirements if he ate only cereal for breakfast; that youngsters themselves would put sugar on unsweetened cereals; that child would get lots of cholesterol if he ate, for example, ham & eggs instead of cereal; that if sugared cereals are bad for kids, ads on fresh fruit should be banned too, because they have more sugar per unit than cereals.

Slight departure from foregoing was offered by Quaker Oats Pres. Kenneth Mason. He supported FTC review of subject but said he believes "impartial" study would show amount of sugar in cereal is very small. He said, however, that time has come to "reduce a child's dependence on commercial TV" by having govt. & other sources put more money into public TV.

Tracy Westen, deputy dir. of FTC's Bureau of Consumer Protection, said that some cereals contain 40-70% sugar; that 2-11-year-olds watch more than 20,000 commercials a year, and 7,000 of these are for sugared foods; that youngsters have trouble distinguishing commercials from programs.

Fierce competition in TV coverage of Sadat mission to Israel is provoking intense controversy as to whether TV made "contribution to" or "intruded on" diplomacy. Typical questions raised—by Charles Seib, Washington Post: "Can age-old, infinitely complex disputes between peoples be dealt with before the TV cameras? Can they even be dealt with in private negotiations that are periodically interrupted so the principals can go before the cameras?"

Legal seminar on libel, slander, gag orders & courtroom coverage is planned Jan. 7 at KMGH-TV Denver. NAB, RTNDA, SPJ-SDX & Reporters Committee are sponsors.

"Die Fledermaus" will be first complete opera transmitted by satellite from Europe, when Metromedia telecasts it on its stations, syndicates show to others, New Year's Eve. Opera will come from London's Covent Garden, where it was co-financed with BBC by Metromedia. It has been long tradition to present Strauss's opera New Year's Eve in London & Vienna. Metromedia plans to offer other cultural events—more opera, drama, dance, etc.

Magnavox CATV Systems appoints RF Communications, Toronto, exclusive Canadian distributor; RF has represented Magnavox CATV for 4 years, non-exclusively.

NAB's 'TOP PRIORITY': Fight against legislation requiring broadcasters to pay performance fees for use of recorded music was given "top priority" last week by NAB Exec. Committee, which took another action even more significant. In reversal against past policy opposing govt. grants to broadcasters, NAB said it'll back SBA loans to stations & CATV provided there's "appropriate insulation from government intrusion into broadcasting affairs."

NAB kept performance fees out of copyright bill, but new effort is building for next session of Congress which has support of Copyright Office (Vol. 17:45 p4). Noting "formidable opposition," NAB Pres. Wasilewski said "we will defeat this unjust tax...if broadcasters will fight as effectively as they did on the saccharin issue."

Exec. Committee discussed recent efforts on Communications Act rewrite, planning for Dec. 7-8 meeting of broadcast advisory committee in Chicago (Vol. 17:46 p1). Because of fear of being "sandbagged"—or tied into position—broadcasters aren't expected to submit draft bill or proposals to House Communications Subcommittee, as requested by Chmn. Van Deerlin (D-Cal.). Instead, industry hopes to stay with "statement of principles" adopted by NAB some time ago. "We don't want to be put in the position of having the Subcommittee come back and say 'this is what you, the industry, asked for,'" we were told. "We'll wait and see what [Chief Counsel Harry] Shooshan and company have put in or not put in" proposed legislation. In other actions, Exec. Committee:

(1) Decided not to ask FCC to establish minimum standards for earth receive stations—as sought by NBC—before acting on Mutual plan for satellite distribution. (Mutual Pres. Edward Little said last week that network will pay for construction & maintenance of earth stations used for radio networking. Earlier, Mutual spokesman said affiliates would build them [Vol. 17:47 p3].)

(2) Told staff to oppose revision in FCC employment reports (Form 395) because it would increase paperwork and jeopardize confidentiality of employment data. (3) Approved "friend of court" appeal in First Amendment case involving college newspaper—Stanford Daily. Case involves raid on paper by govt. enforcement agencies without notice or search warrants. (4) Approved Toronto for June 25-30, 1978 board meetings, which will include joint session with Canadian Assn. of Bcstrs.

(5) Told White House aides—who appeared before Committee on behalf of White House public broadcasting bill (Vol. 17:40 p2)—that NPR Pres. Frank Mankiewicz wasn't doing cause any good by calling commercial radio a "mindless medium" which offers public nothing different (Vol. 17:40 p7). NABers also expressed concern over proposals to tax TV sets and/or station revenues to help finance public broadcasting, were told that isn't "now" in White House plan or being pushed by Administration.

HBO adds 13 weekly college basketball games, plus at least 2 post-season playoffs, starting Nov. 30 with Oregon State at North Carolina.

UPGRADING SATELLITES: Pioneer satelliters Robert Button & Hubert Schlafly began new phase of activity last week when FCC granted TransPonder Corp. (associate of their TransCommunications Corp.) permission to send as well as receive with their station in Kansas City. Up to now, station has been receive-only unit leased to KBMA-TV for sports. Said Button:

"We'll upgrade the station by adding electronics—and greatly expand services offered. We'll offer multiple 2-way services—data, voice, private line, etc. As for customers, just look at the Chamber of Commerce listing."

TransPonder plans to convert receive-only stations across country. Said Button: "Western Union & RCA have only 6 cities each—New York, Chicago, San Francisco, Los Angeles, Dallas-Houston & Atlanta. Look at all the other cities that can use the service." He said company is "working actively" on 6 more, wouldn't identify them because of "competition."

Copyright meetings: (1) Paris, Nov. 28-Dec. 6, UNESCO & World International Property Organization, on audio-visual discs & tape, cable TV, satellites. (2) Geneva, Dec. 7-9, "Rome Convention" on issues including performance rights. U.S. delegates attending both are 3 congressmen headed by Rep. Kastenmeier (D-Wis.); Barbara Ringer & Patrice Lyons, Copyright Office; Harvey Winter, State Dept. Americans are observers-only at Geneva meeting. (3) NAB, Dec. 13, seminar on cable copyright for associate member law firms, presented by Robert Hadl, Wilner & Scheiner law firm.

NAB's Minority Task Force holds first meeting Dec. 14 to lay plans for helping minorities obtain broadcast stations. Steering committee (Vol. 17:44 p3) has been dropped; National Black Network Pres. Eugene Jackson (NAB radio dir.) was added to Task Force. NAB Chmn. Donald Thurston said response to Nov. 2 announcement of Task Force members has been "overwhelming...all kinds of letters, telephone calls and inquiries."

Comment deadline in FCC inquiry into economic relationship between broadcast & cable has been extended from Dec. 1 to Jan. 2. Commission said if parties feel they can't meet new deadline, they must explain why "in specificity" by Dec. 15. NAB had sought 6-month delay (Vol. 17:46 p4); NCTA said it would agree to postponement until March 31.

Cable earth station grants: New Iberia, La.; Anadarko & Norman, Okla.; Clear Lake City, Tex. Applications: Harrison, Ark.; Idaho Falls, Id.; Williston, S.C. Application for MDS (for HBO & WYAH-TV Portsmouth: Palo Alto, Cal. (For details, see CATV Addenda.)

WLIR(FM) Garden City, N. Y. would lose license—under initial decision by FCC Judge James Tierney—for unauthorized transfer, lack of candor, misrepresentations to FCC, failure to exercise adequate control over staff and "multiple violations" of technical rules.

Personals

Sen. John McClellan (D-Ark.), 81, "father of the copyright bill," announced he won't run for reelection when term expires in 1979... **Russell Peterson**, former Del. gov., former chmn. of White House Council on Environmental Quality, becomes dir., Congressional Office of Technology Assessment Jan. 15, succeeding **Emilio Daddario**... **Erwin Krasnow**, NAB gen. counsel, named a vp.

Josh Kane promoted at NBC TV from gen. program executive to vp-programs, East Coast; **Madeline David** advanced to program coordination vp; **Michael Brockman**, ex-ABC TV, joins as daytime programs vp, succeeding David, with expanded responsibility for Sat. a.m. programs; **Aaron Cohen**, program administration vp, adds responsibility for supervising special programming.

Robert Silberling promoted to vp-dramatic program development, CBS-TV... **David Simon**, KBHK-TV San Francisco, joins WKBD-TV Detroit (both Field stations) as program mgr... **Joseph Reilly**, ex-NBC, appointed Columbia Pictures labor relations vp.

George Reeves promoted to ABC-TV vp, program & talent acquisition... **Kenneth Mosher** promoted to Storer Bctsg. vp-treas... **Brent Stranathan** appointed Hughes TV Network mgr., West Coast, Communications Services Div... **John Mitchell**, former Columbia Pictures TV pres., forms TV consultancy bearing his name, for national advertisers, with hq in Century City, L.A... **Arthur Stringer** named to new post of vp-national sales mgr., Blair TV Market Div.

New rep firm members of Tvb board: **L. Donald Robinson**, Field Spot Sales, succeeding **James Marino**, RTVR; **Donald Menchel**, MCA-TV, replacing **Wynn Nathan**, Time-Life TV... **Archer Taylor**, Malarkey, Taylor & Assoc., elected an IEEE fellow... **John Leonard Jr.** promoted to vp-gen. mgr., Moseley Assoc., maker of aural STLS & transmitter remote-control equipment.

Dennis Ashcroft, ex-Texscan, named Showtime central mktg. mgr., Toledo; **Robert Mason**, ex-Scientific-Atlanta, appointed southern mktg. mgr., Atlanta... **Peter Onnigian**, Jampro pres., will devote full time to selling circularly polarized antennas; **Robert Parks** named vp-gen. mgr. of company... **Asher Ende** takes early retirement as an RCA Globocom exec. vp... **Peter Goldmark**, Goldmark Communications, named one of 15 recipients of Medal of Science Awards, with presentations by President Carter Nov. 22; Goldmark gave Carter framed copy of first experimental pressing of LP.

All movie carriage restrictions on pay-TV stations were deleted from FCC rules last week, effective Jan. 9—bringing STV rules in line with D.C. Appeals Court decision invalidating Commission strictures on pay cable movies (Vol. 17:13 p1).

NAB's 3rd children's TV programming conference is slated June 4-6, Washington Hyatt Regency. Workshops are planned on parent participation in viewing programs, news, & local programs. Outstanding programs—U.S. & foreign—will be screened.

Women's groups should "join the campaign to de-emphasize the exploitation of female bodies and the use of violence against women in the mass media," according to position adopted by National Women's Conference in Houston. Among other policies in media plank: (1) Women should be employed "in all job categories and especially in policy-making positions." (2) Training opportunities should be expanded so that women can move into "all jobs in the communications industries, particularly into technical jobs." (3) Federal & state agencies should "vigorously enforce" sex discrimination laws and study impact of "sex-role stereotyping in American society." (4) Public broadcasting "should assume a special responsibility to integrate women in employment & programming."

Advertisers are more likely than network executives to upgrade TV quality, in opinion of TV Guide Editorial Dir. Merrill Panitt. In recent speech to Detroit Adcraft Club, he said: "Network executives... sincerely want to improve programming but it would be suicide for one network to go on a quality binge, even for a few hours a week... I believe [advertisers] can and should begin to consider program content, program quality, seriously, giving TV shows the same sort of subjective evaluation they give magazines before investing in them... If the top 10 or 15 advertisers were to display interest in backing higher quality programming—even if only for a fraction of the total amount they spend in the medium—the networks would have to listen."

BMI talks with All-Industry Radio Music Licensing Committee broke off in disagreement last week, although spokesman said resumption is expected soon. BMI-radio contract expires Dec. 31; current fees will continue during negotiations. Stations are seeking to continue incremental rate formula, which BMI says puts it at disadvantage with ASCAP. Radio stations have broken off negotiations with ASCAP, are preparing court action.

"If cable goes the pay route, as it seems increasingly inclined to do, it will run headlong into the fact that the average family has relatively little to spend for entertainment. There will be pay-cable service, but I doubt if it will manage to offer more than a couple of channels of movies, a couple more of sports not on TV, and very little else"—NAB TV Vp Jane Cohen, speaking to Ariz. Bctrs. Assn.

Communications Act rewrite is subject of Dec. 2 seminar—sponsored by Speech Communications Assn.—at Sheraton Park Hotel, Washington. Panelists include **Erwin Krasnow**, NAB; **Karen Possner**, House Communications Subcommittee; **Alan Pearce**, OTP; **Collot Guerard**, ex-Media Access Project, now FTC.

Of 527 closed meetings at federal agencies during first 6 months of sunshine law, only 193 were justified, according to Library of Congress data compiled at request of Sen. Chiles (D-Fla.). As result, Chiles announced hearing Nov. 29, charged agencies "are trying to get around the law rather than seeing how they can meet the spirit of the law."

Optical communications joint venture will be announced Dec. 6 by Corning Glass & Siemens.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 11 (45th week of 1977):

	Nov. 5-11	1976 week	% change	Oct. 29- Nov. 4	1977 to date	1976 to date	% change
Total TV	347,594	323,905	+7.3	413,633	12,259,775	10,641,736	+15.2
color	212,100	195,283	+8.6	248,637	7,605,801	6,351,712	+19.7
monochrome . . .	135,494	128,622	+5.3	164,996	4,653,974	4,290,024	+8.5
Total radio	800,493	769,791	+4.0	1,754,262	46,847,363	35,492,675	+32.0
home, portable .	519,649	500,229	+3.9	1,482,817	35,893,643	24,613,957	+45.8
AM-only	143,927	254,517	-43.5	331,424	8,765,181	7,548,812	+16.1
FM & FM-AM .	375,722	245,712	+52.9	1,151,393	27,128,462	17,065,145	+59.0
auto	280,844	269,562	+4.2	271,445	10,953,720	10,878,718	+0.7

Color TV 5-week moving average: 1977—236,460*; 1976—201,007 (up 17.6%).

*Record for 45th week of any year.

MATSUSHITA SHOWS SIMPLE VIDEODISC SYSTEM: Discs which can be produced in any audio record plant with standard record-pressing equipment & materials are used in Matsushita's mechanical videodisc system (Vol. 17:21 p7), demonstrated to press for first time Nov. 25 in Tokyo & Osaka.

Company has developed 2 versions of "Visc" system—playing 30 or 60 min. per side of 2-sided 12" disc which looks just like conventional audio LP. System differs from those shown previously, has most in common with RCA & TED. Like TED, it's mechanical system with grooves recorded by hill-&-dale method. Like RCA, it uses rigid disc (of standard 2-mm audio thickness) which revolves at 450 rpm. Unlike either, disc has standard small center hole and is dropped on turntable without caddy or other protective carrier.

Matsushita says player can be mass-produced easily, uses ordinary components & parts except for special diamond stylus, which is claimed to have life of more than 1,000 hours and to press so lightly on discs that each record can be played several thousand times—far more than audio disc. "Twist stylus" system uses proprietary piezoelectric material to convert mechanical vibrations directly into voltage fluctuations. In addition to video signal, disc accommodates 2 high-fidelity audio channels for stereo or dual-language sound.

Retail price of player in Japan is projected as \$480-\$600. Unit has only 2 knobs, includes search control to find any portion of recording. Panasonic spokesman said system will be demonstrated in U.S. at "proper time," and marketing decision will depend on "support of software companies throughout the world." Matsushita has 2 record-producing affiliates—JVC, Japan's biggest record producer, and Teichiku.

Discs are mastered in real time using Matsushita-developed direct-cutting system. Records use standard polyvinyl chloride disc material, are said to be mass-produced easily on existing audio record production facilities. Retail price of one-hour disc is projected at 20-50% higher than audio LP.

Matsushita says it already has patent protection in U.S. & Japan and is applying for patents in 13 other countries. Major patents cover diamond "twist stylus," cutting head, lubricated disc surface, player design. As we reported last May, RCA is impressed with Matsushita's work, particularly stylus system. High RCA official said then that Japanese company's developments

were "about 35% covered by RCA patents"—statement with which Matsushita seems to disagree. Although RCA said it "could work with" Matsushita on videodisc, there have been no joint efforts or agreements toward this end, Matsushita spokesman said. Matsushita is RCA videodisc licensee.

RCA's new uncoated disc appears to be step in same direction as Matsushita project (Vol. 17:32 p12)—real-time direct-cut master, production on standard audio equipment. It's understood that RCA has played back its uncoated capacitance disc with mechanical pressure stylus. Matsushita spokesman, however, said RCA disc couldn't be played back on Visc player.

Specs of Visc system, in addition to those already mentioned: Track pitch, 4.6 microns in 30-min.-per-side version, 2.3 microns at 60-min.; video signal, NTSC color; video signal-to-noise, better than 45 dB; resolution, more than 270 lines; audio bandwidth, 20 kHz; audio signal-to-noise, about 60 dB; player power consumption, 44 watts; dimensions, 22" wide, 16" deep, 5" high; weight, 29 lb.

System was developed by Matsushita's First Development Dept. (FDD), which is product-oriented, not lab, which is research-oriented. FDD also coined "Visc" name. It's understood this was 2nd choice; first was said to be "VD," vetoed by U.S. subsidiary.

ZENITH CHILLS TV PRICE-HIKE HOPES: Zenith dashed competitors' hopes for meaningful color TV price increases in first quarter last week when it indicated to distributors that it probably wouldn't change current levels. Nevertheless, some manufacturers courageously continued to talk first-of-year price hikes in belief Zenith might change its mind. And with yen hitting postwar high of 240 against U.S. dollar—increase of 22% since first of year—there was little doubt price of imports just had to go up.

Zenith's official comment after Nov. 21 distributor meeting was that all current programs & prices would continue through Dec. 28, with "very modest" increases in "selected models"—notably 25" consoles—effective Dec. 29. However, industry intelligence channels indicated Zenith had promised that same general price & margin levels which disturbed competitors would be maintained through Feb., with additional 1-1.5% allowance Nov. 23-Feb. 22 on dealer purchases in lots of 50 & 100 units, better deal than previous quantity discount (200 units & up) which expired in Aug.

Unless Zenith overrules self and hikes prices—seen as unlikely before its distributors' open houses starting day after Christmas—other U.S. manufacturers may well be held to token increases. Most hold meetings this week & next. RCA official described Zenith action as "discouraging" and indicated RCA would remain competitive, any price increases announced at its Dec. 6 meeting presumably being window-dressing.

Sylvania already has increased some prices—but again, only token move, since hikes apply to sold-out high-end "Supersets": Three models increased from \$700 to \$730, one from \$800 to \$825, 3 from \$820 to \$875. GTE Consumer Electronics Pres. Robert O'Neil was still hopeful: Zenith needs to raise its prices, and RCA won't sacrifice its profitability to be No. 1, he reasoned, so there's reason to believe industry may have necessary base for increase. 'We have already taken one step, but the over-all situation will depend on what happens with RCA & Zenith.'

Others also still had hopes. Quasar Vp Alex Stone was confident Zenith was merely waiting to see how much RCA would hike prices, take further action after Dec. 6. At any rate, he said, "we will raise prices an average of 3-6%, in some cases even higher" at this week's distributor meeting, effective first of year.

Magnavox plans more modest increases—averaging 2-3%—around Jan. 1. This will be followed by Annual Sale Jan. 12-Feb. 27. Reduction in SE area, typical of those in other regions, will range from \$250 for high-end armoire combination (regularly \$2,600) to \$70 for 19" Video-matic table model (from \$540). Two 12" b&w sets will be reduced \$25, stereo consoles & modular systems cut \$50-\$130.

Japanese imports inevitably must go up in price, reflecting continued drop in dollar against yen. As Sharp TV Sales & Mdsdg. Mgr. Robert Whitehouse sees it, next year: "Domestic TV manufacturers will get more price-competitive both among themselves and [against] Japanese

manufacturers. U.S.-manufactured sets probably will decline in price while Japanese sets will increase."

Decline in dollar also is bringing some speculation as to how long videocassette recorder price cuts can continue. If an OEM contract had been negotiated in yen at beginning of this year, stipulating purchase of decks at equivalent of \$500 each, same decks would now cost purchaser \$610. Of course, such contracts aren't that straightforward, often contain tie-ins with other products—and it's obviously to Japanese makers' advantage to keep prices low as possible to develop VTR market.

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Accuracy of EIA figures indicating soaring color TV sales to dealers is being questioned by many retailers, who say their volume increases don't approach those shown for industry as whole. Now, thanks to International Trade Commission's continuing survey of color TV manufacturers (Vol. 17:47 p8), we at last have independent figures to cross-check EIA totals—and they hold up very well indeed.

Using EIA, ITC & Commerce Dept. data, we estimate that importers shipped 736,000 color sets to dealers in July-Sept. 1977. ITC figures indicate shipments of U.S.-made sets to retailers totaled 1.63 million, bringing grand total sales to dealers to 2,366,000 sets in 2nd quarter. EIA sales-to-dealers figure for same period was 2,341,000, discrepancy of just 1.1%. Inescapable conclusion is that much of increased color TV sales action is represented by private-label retailers & mass merchandisers.

MGA TO RESTART U.S. COLOR PRODUCTION: Following acceptance of manufacturing proposal by U.S. & Japanese trade officials, Mitsubishi Electric announced last week it will resume production of MGA-brand color receivers in leased Irvine, Cal. plant.

Feb. start is planned, we were told by Steve Saake, vp & national sales mgr. of Melco Sales, Mitsubishi's U.S. subsidiary. He said 40,100-sq.-ft. plant is expected to employ 100-150 by midyear, have capacity to turn out 4-5,000 color sets monthly—19" table models & 25" consoles—assembling them from Japanese & U.S.-made parts. Plant also may be used to assemble video projectors. Melco demonstrated 2-piece 3-tube unit at June CES, plans to offer it at upcoming Winter CES in Las Vegas for Feb.-March delivery at a suggested retail of about \$3,000.

Mitsubishi first announced plans for U.S. color production last April, following International Trade Commission finding domestic industry was import-injured and entitled to protection in form of higher duty rates or quota (Vol. 17:15 p7). Output was begun at Irvine on pilot basis mating fully assembled imported chassis & picture tubes with U.S. cabinets, but was halted after U.S. & Japanese trade negotiators announced signing of Orderly Marketing Agreement putting quantitative limits on Japan's U.S.-bound exports of color chassis as well as complete color sets. Before restarting here, Mitsubishi needed clearance from both govt. of manufacturing program sufficiently integrated to exclude its Irvine output from counting as part of quota. Over last 5 months, similar quota-free go-aheads were given for Sony's color plant in San Diego, Matsushita's Quasar in Chicago & Sanyo's facility in Forrest City, Ark. More recently, Wells-Gardner won approval for program to assemble 19" & 25" color sets using parts supplied by Japan's General for marketing here under Teknika brand by C. Itoh.

VARACTORS, REMOTES GAIN IN COLOR MARKET: Remote control is at last developing into major color TV market factor, and all-electronic varactor tuners appear well on way to becoming standard in all but low-end color. That's indication in EIA data on color market at factory level (domestic production plus imports) for 3rd quarter & 9 months.

In 3rd quarter, while over-all color market rose 8.6% to 2.3 million, number of remotes jumped 75% to 315,000 to account for 13.6% of output, up from 8.5% in same 1976 period. In portable-table models, remotes jumped from 7.6% of output to 12.6%, in consoles to 16.4% from 10.4%. For year's first 9 months, remote feature was in 11.6% of new sets, up from 10%, including 11.4% of portables, up from 9.6%, and 12.9% of consoles, from 10.9%.

Varactor tuners were in 29.4% of color models over 9 months, including a dominating 54.8%

of consoles, but only 20.3% of portable-table models. In July-Sept., varactors rose to 32.7%, with share in consoles climbing to 62.5%, portable-tables to 21.2%. No breakout for varactor tuners is available for 1976.

Product mix shows consoles improved color market position slightly in 3rd quarter from first half, but were well behind position held in same 1976 months. Console-combination production in quarter dropped 4.4% to 645,000, giving floor-standing models a 27.9% market share, down from 31.7% in year-earlier period, but up from first half's 27.4%. Total new supply of portables in quarter was up 14.7% to 1.67 million.

Increases were reported for all color portable-table screen sizes (except tinyvision) during 9-month period, and there were only modest changes in relative positions. Output by screen size, percentage change and share of portable-table market, with comparable 1976 shares in parentheses: 12"-&-under, 471,450, down 0.6% for 9.5% share (11.1%); 13", 433,952, up 18.2% for 8.8% (8.8%); 14-15", 346,297, up 17.6% for 7% (7.1%); 16-17", 480,567, up 38.9% for 9.7% (8.3%); 18-19", 2.98 million, up 21.5% for 60.2% (59.2%); 20"-&-over, 237,093, up 11.4% for 4.8% (5.1%).

In b&w, 11-12" consolidated hold on market, increasing over-all share of new supply for 9 months to 57.3%, from 50.4%, as all other screen sizes posted both unit & share declines. Here's breakdown: 10"-&-under (AC only), 180,911, down 23.3% for 4% (5.4%); 10"-&-under (AC-DC), 456,225, down 2.8% for 10.2% (10.8%); 11-12" (AC-only), 2.27 million, up 16.7% for 50.6% (44.5%); 11-12" (AC-DC), 299,081, up 15.6% for 6.7% (5.9%); 13-15", 152,010, down 5% for 3.4% (3.7%); 16-17", 214,406, down 12.4% for 4.8% (5.6%); 18"-&-over portable-table, 873,405, down 12.2% for 19.5% (22.8%); consoles-combinations, 42,202, down 25.8% for 0.9% (1.3%).

Thanks mainly to Japan's quota on exports to U.S., imports lost share of 9-month market in all color screen sizes except 12"-&-under (70.1%, up from 70% in Jan.-Sept. 1976). Import share for other color portable-table sizes: 13", 68.8% from 82.8%; 14-15", 40% from 58%; 16-17", 15.8% from 17%; 18-19", 36.7% from 43.9%. Over all, imports represented 39.8% of portable-table market, down from 46.8%.

In b&w, continued transfer of production to foreign plants (mainly Taiwan) by U.S. manufacturers resulted in record market shares for large-screen imports; relative position of imports in smaller sizes, where they already accounted for vast bulk of business, remained stable. Breakdown: 10"-&-under, 92% from 91.9%; 11-12", 90.4% from 91.3%; 13-17", 60.1% from 45.3%; 18"-&-over portable-table, 43.2% from 23.7%. B&w over-all import percentage was 78.9% from 71.4%.

COLOR TV PRODUCT MIX-9 MONTHS

Type	Units	1977		1976	
		% change	% of total	Units	% of total
Portable-table	4,952,000	+19.3	72.4	4,150,000	70.0
Console.	1,870,000	+6.6	27.3	1,754,000	29.6
Combination.	19,000	-12.8	0.3	21,000	0.4
TOTAL	6,841,000	+15.4	100.0	5,926,000	100.0
Remote control.	809,000	+37.0	11.6	590,000	10.0
Varactor tuner	2,043,000	n.a.	29.4	n.a.	n.a.

Compact shortage at Christmas? That's distinct possibility, according to BSR (U.S.) Chmn. John Hollands, whose company supplies most of changers in popular-priced stereo systems. He blamed 8-week-old east & Gulf port dock strike against containerized ships which has hampered ability to deliver U.K.-made changers to assemblers here. BSR has been

bringing in product through Canadian ports, but docks there aren't equipped to handle volume coming in, and shipments are backing up. Although union & shippers have agreed on national contract, continued dispute over local work rules at some ports have held up ratification. There are indications ports will be back in operation this week.

Mergers & acquisitions: Solid State Scientific has agreed to sell 25% in shares & debentures to W. German instrument panel manufacturer VDO Adolf Schindling AG for \$4.5 million... Kyoto Ceramic's U.S. subsidiary is negotiating acquisition of Vician, San Diego ceramic capacitor manufacturer. If deal goes through, Kyoto will be 2nd Japanese ceramic capacitor maker with U.S. production. Other is Murata, which built plant from scratch in Ga. several years ago... Seeburg agreed to sell coin-op phono business and some assets of operation to Taito America, subsidiary of Seeburg's Japanese distributor, for about \$7.3 million. Previously announced negotiations to sell business to group of Seeburg's U.S. distributors fell through... Superscope's 2nd try at acquiring a piano maker has been abandoned. Company said it discontinued negotiations with Grand Piano Co., Morgantown, N.C. It previously held unsuccessful talks with Aeolian Corp., Memphis. Superscope wants piano firm so it can offer models with its Pianocorder system built in... **Integrated Circuits International** has agreed to sell its 50% interest in Korea Semiconductor to partner Samsung for undisclosed cash sum.

GE opposes end to duty-free treatment for small-screen b&w picture tubes from Taiwan. Appearing recently before Trade Policy Committee of Special Trade Representative's office to oppose request made by IBEW, GE indicated that 15% duty on its tube imports might force it to halt b&w set production in U.S. Duty on imports of complete b&w sets is only 5%, and duty-free tube importation is necessary if GE's U.S.-made sets are to be competitively priced, company maintained. Last year, with support of Sylvania, union succeeded in having duty-free status withdrawn for imports of b&w tubes 16.5" & larger. Duty-free treatment is given specified products from undeveloped countries under 1974 international trade agreement.

"Video" magazine, subtitled "Buyer's Guide for the Home Video Enthusiast," is probably first newsstand magazine of its kind. First quarterly issue, (100 pp., \$2.25), dated "Winter 1978," has been published by Reese Publishing Co., distributed by Dell, has sections on video games, VTRs, cameras, videodiscs, software, video music, projection TV. Magazine contains 4 ads: JVC, Sony & Zenith VTRs, LaSalle Extension U. Excerpt from section on software: "...you can go to a Magnavox dealer or other authorized sales representatives right now and pick up videodiscs for use with the player."

True Temper didn't testify at recent International Trade Commission CB import relief hearing, never intended to, was listed as witness through mixup, we were told by Al Gross, mktg. & sales mgr. of Fiberglass Div., supplier of antennas to OEMs & importers. ITC spokesman confirmed that inclusion of Gross's name in witness list (Vol. 17:44 p10) stemmed from misinterpretation of letter stating Gross would attend hearing.

Zenith dropped in 2 high-end 25" color table models with open list price—they're Color Sentry models, one manual, other with high-end Zoom remote.

Automatic Radio is halting U.S. production in favor of importing, leaving Motorola as last major car radio producer in U.S. not owned by an auto manufacturer. AR's decision is noted in Labor Dept. report on determination that workers at closed Brockton, Mass. car radio plant of AR subsidiary Engineering Systems are eligible for import adjustment assistance. Report says car radio imports grew from 11.9% of 13.2-million total market in 1972 to 44% of 12.4-million market in 1976, accounted for 37.8% of 6.4-million market in first half this year, down from 43.2% of 6.1 million in same period last year. Agency also announced opening of eligibility investigation for former workers at RCA's Meadowlands, Pa. 2-way radio manufacturing facility.

Import impact aid for companies & communities should be easier to get under rule changes announced by Commerce Dept. Import-injured companies will now have 2 years after being found eligible for help to submit corrective action program, need no longer utilize assets of affiliated companies to help out when this would be impractical because of high costs or low probability of return. Personal guarantees for repayment of any loans will be required only when Commerce feels they're needed to insure continued interest by owners & managers. Commerce also said an area will be considered trade-impacted if 200 workers or 5% of workforce have suffered import-related job losses.

Allen-Bradley is pulling resistor manufacturing out of Milwaukee, moving them to lower wage areas in Texas. Company says that move will take about 2 years, that it's looking at sites in El Paso & San Antonio, that it will hire about 1,200 there, about as many as will be laid off in Milwaukee. A-B moved potentiometer production to Juarez, Mex. in 1972... **Transitron** halted most semiconductor operations at Wakefield, Mass., dismissed 348 workers, says it will end IC production, eliminate remaining 122 employees there in June. Company will continue wire & cable, connector, printed circuit & engineering activities.

Optical videodisc system with laser readout has been developed by Robert Bosch, according to full-page Wall Street Journal ad by German firm's U.S. subsidiary. Ad says 12" disc will store 25,000 still color images, and "the device can also function as a video system to record & play back moving pictures." Spokesman for U.S. company said system was designed principally for data storage and ad was intended as indication of company's capabilities rather than plug for specific product.

Microwave oven import quota request by AHAM in letter to President Carter (Vol. 17:37 p9) got polite turndown. Rejection came in letter from Commerce Dept. expressing sympathy, suggesting AHAM file formal complaint with appropriate agency if it feels imports are competing unfairly or threaten serious injury to domestic producers. AHAM is considering next step.

Projection TV patent for one-piece unit with slide-out drawer & mirror system has been granted to Earl Muntz.

TAIWAN'S COLOR GROWTH: Combination of Taiwan's first domestic color tube plant, rising orders from Japanese color importers here and expansion of U. S. color marketing activities by Taiwan manufacturers—all spurred by 1.75-million annual quota on Japan's direct color exports to U. S.—promises to make 1978 boom year for island's color industry. Here's rundown of developments by company:

Sampo: Has started production of 19" color export model which should appear in U. S. late this year or early next, to list at about \$360, discount below \$300, will begin making export 13" next year. Company also is negotiating contract to produce color sets for Sharp for export to U. S. next year, is considering establishing U. S. color & b&w TV plant in early 1980s.

Taiwan Kolin says it plans color export production next year, is considering making some models for Mitsubishi's U. S. subsidiary Melco Sales (MGA).

Sanyo Taiwan says it has agreed to make 15" & 19" color portables for Sanyo U. S., expects to ship 10,000 monthly through first half 1978.

Tatung has renewed color export agreement with Toshiba America after 3-year lapse, has order for 15,000 19" sets this year, is negotiating contract to supply 10,000 monthly next year. In addition, it plans increased shipments to U. S. marketing subsidiary in 1978, says it expects over-all color exports to U. S. to hit 200,000 next year.

Admiral is expected to have significantly higher Taiwan output of color in complete & chassis form, with 1978 first full year of consolidated production there. RCA's output of complete 13" color chassis starts next month, and Zenith's production of color modules should be well under way in 2nd quarter. Also due for early-1978 product start is Olympic's color assembly operation which will have capacity for some 15,000 sets annually (Vol. 17:43 p9).

Taiwan's need to import all color picture tubes is still significant and expensive problem. Most Japanese customers supply their Taiwan assemblers with tubes and other key parts as well as technological assistance, as part of set-purchase contract. Pressure should be eased somewhat in final quarter of 1978 when Philips' plant there is scheduled to start turning out 19" color tubes.

U. S. color imports from Taiwan rose 66% in 1976 to 238,000, and similar increase should bring figure to about 370,000 this year. Total, including virtually complete chassis, could easily double in 1978. While such an increase could cause unions to demand shipment restrictions such as those imposed on Japan, U. S. trade officials would be hard-pressed to work out agreement which would be fair to local Taiwan manufacturers without seriously damaging interest of U. S. manufacturers operating export-assembly plants there.

Color TV sales for 1978 will total about 9.5 million, up 6% from 1977's expected 9 million, according to forecast in Blue Chip Economic Indicators, published by Robert Eggert, former RCA vp & chief economist.

Ad notes: Bally appoints D'Arcy-MacManus & Masius for all consumer & coin-op products...RCA cancels plans for national CB campaign, for time being will restrict activity to co-op...Toshiba launches magazine campaign for Beta home VTR "Video Studio" using theme "Goodbye home movies, hello home tapes," plans national campaign for programmable microwave oven starting in early 1978...Raytheon Marine names Ribaudo & Schaeffer...Seiko Time & Audiovox hearing aids sign up for Screenvision movie theatre ad program...EICO appoints Jarman, Spitzer & Felix...JVC America signs Barry Manilow as spokesman for hi-fi line in \$1-million radio & print campaign starting Jan. 1...Sharp launches TV spot campaign for stereo cassette deck with automatic program-search feature.

Korea added 16 more electronic parts to list of items that can be imported under bond for assembly into finished products. They include digital clock movements, cassette tape, circuit boards, TV picture tube bulbs, video game circuitry...Signetics is adding \$1 million to investment in Korean IC subsidiary, increasing total to \$1.67 million...Dow Corning has agreed to supply silicon production technology to Sunil Silicon under 3-year contract calling for initial payment of \$10,000, 3% royalty.

Who's making money on home VTRs? The media—and particularly TV Guide. Current (Nov. 26-Dec. 2) issue contains one-page national ad for Sony Betamax, 2-page national ad for Video Club of America (Magnetic Video Corp.), one-page regional ad for JVC Vidstar (in N. Y. edition)...Toshiba large-scale ad debut was 2-page color spread in Newsweek. Nomination for most offbeat approach: Video Club of America ran full-page ad in Nov. 20 N. Y. Times Book Review.

Admiral Christmas promotion offers TV-appliance customers reductions on brand-name gift items including cookware, luggage & furniture. Sample reductions from special catalog: Brunswick pool table, list \$375, discount price \$250; Bell & Howell movie camera, cut from \$125 to \$78; Atari Video Computer game, \$200 to \$136; Compton Encyclopedia, \$380 to \$215. Promotion will be advertised on TV.

Lower TV sales in first half of 1978 were forecast by Sharp TV Sales & Mds. Mgr. Robert Whitehouse. He saw color sales running at annual level of about 8 million in first 6 months (vs. about 9-million level in same 1977 period), with b&w at about 5.3-million rate. For 1977, he saw color sales totaling 8.9 million, b&w at 5.4 million.

FCC extended to Jan. 3 reply deadline on proposal to increase CB transmitter harmonic & spurious radiation standard from 60 to 100 dB. Extension was granted at request of Assn. of Maximum Service Telecasters...Task force study on local interference will be submitted for adoption by PURAC at Dec. 7 Gettysburg, Pa. meeting.

Small type in JVC Vidstar ad: "The legality of recording copyrighted material for private use has not been clarified at this time. By the sale of this equipment we do not represent that copyrighted materials can be recorded."

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Trade Personals

Robert Poulin, ex-Canada Dry, joins Morse as pres., succeeding Martin Dubilier, who held post on interim basis, continues as consultant... Robert Winer, Soundesign mktg. vp, advanced to senior vp; Gad Sabbah promoted from vp to pres. of console mfg. operation, Soundesign Indiana... Victor Parker advanced at Sylvania Entertainment Products from ad & sales promotion mgr. to gen. mdsg. mgr., succeeding Ronald Stoltenberg, now Philco sales vp... James Haley, onetime Sylvania mktg. vp, forms Pro Enterprises, Devon, Pa. to provide sales & mktg. services to consumer electronics & appliance producers.

John Welch promoted at GE to senior vp, named exec. of Consumer Products & Services Sector, succeeding Stanley Gault, now senior vp of new Industrial Products & Components Sector... C.J. (Red) Gentry, ex-Motorola Automotive Products, joins Kraco as Distributor Div. vp... Werner Mueller appointed mgr. of Mercury Products, Hong Kong, watch manufacturing subsidiary of Leisurecraft.

Alex Jacobson, ex-LCD program mgr. for Hughes Aircraft Industrial Products Div. and developer of LCD lightvalve projection TV (Vol. 16:47 p10), is now consultant in large-screen TV (12256 Canna Rd., L.A. 90049; phone 213-472-7540)... Thomas Henson advanced at Sylvania to Chemical & Metallurgical Div. chief engineer for chemicals, new post; James Steigelman promoted to metals engineering mgr., succeeding James Smith, retired.

Norman Thomson, ex-Robertshaw Controls, appointed Allen-Bradley International Div. vp, assuming former duties of William Younger, now corporate sales vp... Richard Murphy promoted at Solid State Scientific from Europe operations dir. to sales & mktg. dir., replacing Dedy Saban, now European

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Canadian Cablesystems ^a 1977-year to Aug. 31	26,300,000	7,732,000	1.94
1976-year to Aug. 31	22,876,000	9,415,000	2.36
Comcast			
1977-9 mo. to Sept. 30	9,279,780 ^b	651,497 ^b	.39
1976-9 mo. to Sept. 30	7,989,966	606,322	.36
1977-qtr. to Sept. 30	3,250,278	345,124	.21
1976-qtr. to Sept. 30	2,834,900	303,304	.18
Gray Communications Systems			
1977-qtr. to Sept. 30	3,817,488	244,529	.51
1976-qtr. to Sept. 30	3,365,601	270,062	.57
Technical Operations			
1977-year to Sept. 30	91,724,000	384,000 ^c	.29
1976-year to Sept. 30	85,972,000	(1,949,000)	--
Tele-Communications			
1977-9 mo. to Sept. 30	39,022,000	1,265,000 ^c	.18
1976-9 mo. to Sept. 30	33,802,000	701,000 ^c	.08
1977-qtr. to Sept. 30	13,392,000	471,000 ^c	.07
1976-qtr. to Sept. 30	11,490,000	315,000 ^c	.04
Tenna			
1977-9 mo. to Oct. 31	42,627,145	(1,918,465)	--
1976-9 mo. to Oct. 31	42,637,202	1,621,696	.53
1977-qtr. to Oct. 31	17,638,102	(198,499)	--
1976-qtr. to Oct. 31	15,560,441	586,937	.19
UA-Columbia Cablevision			
1977-year to Sept. 30	23,764,000	2,674,000 ^c	1.61
1976-year to Sept. 30	20,191,000	2,126,000	1.25

Notes: ^aIn Canadian dollars. ^bRecord. ^cIncludes special credit.

distribution dir. for Motorola Semiconductor... J. Richard Heater named Sylvania Parts Div. new business development mgr.; Kent Kohnken, ex-Corning, appointed Sylvania Chemical & Metallurgical Div. ceramic product mgr.; Armen Der Marderosian advanced at Sylvania Training Operation to gen. mgr.

Robert Cockcroft, ex-National Semiconductor, & Don Rogers, ex-Microma, named pres. & vp, respectively, of Ladcor, Mountain View, Cal.-based producer of LCDs recently launched by Swiss investors... Ed Vaughan promoted to Motorola Marine Communications national sales mgr.

Gabriel Rabaron promoted at Sylvania Precision Components Div., Montville, France, from product mktg. mgr. to operations mgr... Richard O'Brion, JVC Industries, elected ITA chmn., succeeding Daniel Denham, 3M. Other new officers: Irwin Tarr, Panasonic, pres.; Robert Jaunich, Memorex, exec. vp; Ed Khouri (Capitol Magnetics), James Truelson (Bell & Howell), Morton Fink (Sony), vps; Sam Burger, CBS Columbia Records, secy.; Gerald Citron, Intercontinental Televideo, treas... Irving Wolberg, ex-midwest sales mgr., advanced at Arco Electronics to national sales mgr., succeeding Arnold Rosenblum, resigned.

Emil Torick, CBS Technology Center, takes post as AES pres., replacing Rex Isom, RCA Records; John McKnight, Magnetic Reference Labs, named pres.-elect.